Unipol Gruppo Finanziario S.p.A.

Registered and Head Offices at Via Stalingrado 45, Bologna – Share capital €2,391,426,100.00 fully paid-up – Tax Code and Bologna Companies' Register 00284160371 – R.E.A. 160304

Consolidated Half-Yearly Financial Report as at 30 June 2009

Bologna, 6 August 2009

Translation from the original Italian text.

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CONTENTS

Notes to the Accounts - Annexes

COMPANY'S BOARDS AND OFFICIALS

	Honorary Chairman	Enea Mazzoli
Board of Directors	Chairman	Pierluigi Stefanini
	Vice Chairman	Vanes Galanti
	Chief Executive Officer	Carlo Salvatori
	Members of the Board	
	Jean Dominique Antoni	Ivan Malavasi
	Sergio Betti	Massimo Masotti
	Pier Luigi Celli	Enrico Migliavacca
	Rocco Carannante	Pier Luigi Morara
	Gilberto Coffari	Sergio Nasi
	Piero Collina	Marco Pedroni
	Francesco Berardini	Giuseppe Politi
	Sergio Costalli	Francesco Vella
	Jacques Forest	Marco Giuseppe Venturi
	Fabrizio Gillone	Luca Zaccherini
	Claudio Levorato	Mario Zucchelli
	Secretary to the Board of Directors	Roberto Giay
General Manager		Carlo Cimbri
Board of Statutory Auditors	Chairman	Roberto Chiusoli
	Members	Domenico Livio Trombone Giorgio Picone
	Alternate Auditors	Cristiano Cerchiai Giovanni Battista Graziosi
External Auditors		KPMG spa

Introduction

Macroeconomic background

During the first half of 2009 the recession deepened both within Italy and internationally. The figures for the first quarter of the year show that Italian GDP shrank by 6% and it was down 4.8% in the Eurozone as a whole, 4.1% in the UK, 2.5% in the United States and 9.1% in Japan. Financial markets stabilised because of the enormous amounts of public funds paid to banks. The current main dangers, recession and deflation, are aggravated by two factors, both affecting investment: on the one hand the substantial downturn in international trade and on the other hand the increase in individuals' propensity to save, which translates into stagnation in domestic consumption. The fall in the employment figures (-0.9% in the first quarter of 2009 compared with the same period last year) was accompanied by a huge increase in redundancies, up 282% in the first half of this year. Istat reports that at the end of March some two million people in Italy were looking for jobs.
The basic state of the economy makes it unlikely that there will be any inflation in the short term: in June 2009 the national consumer price index (including tobacco) rose by only 0.5% whilst consumer prices in the Eurozone as a whole were lower than they had been twelve months earlier. The background suggests that in all probability speculation in futures is behind the rise in the price of crude oil and raw materials.

Financial markets

The cautious monetary policy adopted by the central banks is proof of the difficult business situation: the Fed continues to maintain Fed Funds rates at virtually zero; the European Central Bank has reduced the discount rate four times this year, bringing interest rates on the main refinancing operations in the Eurozone down to 1%; similarly, in the first half of the year the Bank of England slashed rates three times to the current figure of 0.5%. As well as broadening the scope of monetary policy issuers contributed to the economy with enormous quantitative easing operations.
On 24 June the ECB board of directors decided to ease the tensions in the money market, provide lenders with security, stimulate interbank flows and, in particular, give a boost to lending to businesses and individuals by financing the banks by issuing a repo contract on extraordinary terms: expiry date 12 months rather than the norm for the ECB of no more than three months, a generous rate of interest of 1%, in line with the official discount rate and a commitment to accept all applications, with no limit on amounts. At the moment this manoeuvre seems not have had the desired effects since the majority of lenders have not used these funds to provide corporate financing but have merely held them on deposit with the European Central Bank.
Nevertheless taken as a whole these actions have certainly affected rates. In the first half of the year the three-month Euribor dropped from 2.89% to 1.10%, a fall of 179 basis points. Government ten-year securities typically performed differently: substantially up in the United States (from 2.3% at the end of 2008 to 3.5% on 30 June), also up in the European Union (from 2.9% to 3.4%) and practically unchanged in Italy (the final figure for 2008 being 4.4% compared with 4.3% at the end of the first half of 2009).
After reaching a low point in March share markets strengthened, often returning to where they had been at the beginning of the year: the Italian FTSE index fell 0.3% in the six months, the DJ Eurostoxx50 was down 1.9%, the Japanese Nikkei 225 rose by 12.4% whilst on Wall Street the S&P500 recorded a rise of 1.8%.
Increased trust in the solidity of the banking system led the 5-year itraxx index, representing the credit spread relating to the main Euro issuers in the financial and industrial sectors, to fall from 170.5 to 112.5 in the second quarter.
Against this background the single European currency has fluctuated around 1.40 dollars to the Euro in the last few weeks, not far off what it was at the end of 2008.

Insurance business

That the difficult economic situation has affected the work of insurers is proved by the fact that in 2008 income from insurance worldwide net of inflation fell by 2% for the first time since 1980.

ISVAP's preliminary figures for 2009 reveal a dichotomy in the Italian insurance market: Non-Life business is down but Life is performing well.
Total Non-Life business was down 3.1% during the first quarter of the year on the same period last year.
In the first three months income from the MV Non-Life classes was worse than expected, falling even faster (-5.5%) than it had done in 2008 (-3.2%). MV TPL (-5.2%) did badly, the claims situation giving out contradictory signals in a climate that showed no sign of becoming less competitive and led to an average premium that was insufficient to cover the risks typical of this sector. Premium income from Land vehicles – own damage or loss was down even further (-7%), being affected by the difficulties in the motor vehicle market (11% fewer new cars registered during the half year despite the good result in June). A positive sign is provided by the fact that in the first five months of the year the reduction in mileage and the fall in the number of motorway accidents (-3.4% in the first quarter) continued. At the moment, though, these phenomena do not appear to be having an effect on the insurance loss ratio.
In non-MV Non-Life business too the results for the first quarter were worse than expected. All the major classes appear to have stagnated. General Third-Party Liability was a partial exception to this scenario since it was up 4.26%. In all probability the effects of the crisis on both individuals (reduction in the propensity to consume) and businesses (reduced levels of working) were beginning to make themselves felt. The loss ratio seems have begun to rise in these classes too, adding a further reason to fear for the companies' profit and loss accounts.
News about Life business is different. The latest information from ANIA on new individual Life business in the first five months of the year indicates an appreciable upturn since last year. Premiums on new policies were up by more than 29% in May. In terms of sales channels the increase was mainly achieved by the banking and postal outlets (+33.1%) and financial advisers (+66.6%), whereas the results obtained by the networks of agencies were disappointing (-3.6%). The memory of the recent turbulence in the financial markets, which also affected some types of Life policy, steered savers towards products perceived as being risk-free. This frame of mind was reflected in the substantial rise in new individual business in Class I (+152.6% between January and May) and in the drastic fall in the flows directed towards Class III products (-78.5%).

Banking and assets under management

The figures published by Banca d'Italia for the first five months of 2009 show that Italian lenders' direct income (+10.4% year on year) rose much faster than lending to customers (+3%). Banking bonds performed best (+17.8%), whilst deposits were up by 5.6%. Corporate financing grew the least, by only 2.6%. Lending to individuals grew by not much more (+3.6%). These results are in line with the forecasts that the fragility of financial intermediaries and the difficult economic situation would have a negative impact on pumping credit into the financial system.
Forecasts of an increase in the insolvency of the financial operators most exposed to the negative phase of the cycle are unfortunately proving correct. By May gross doubtful debts had risen by 15.5% since December 2008, whilst net doubtful debts had risen even more, by 19.2%. Between the same dates the ratio between net doubtful debts and lending reached 1.54% whilst the weighting of net doubtful debts on capital and reserves rose to 9.29%.
Reduced interbank rates led to a substantial reduction in the mark-down but it was not sufficiently offset by the increase in the mark-up. This led to a gradual reduction in bank rate spread, which between May and June stabilised at around 2.5%, rather lower than it had been during 2008. The trend in rates and the difference in rates of growth as between income and lending to customers do not bode well for net interest income. The news for the banking system on net income from services is not particularly good either. It is therefore not surprising that, against this background, various lenders are aiming at keeping costs down, particularly staffing costs.
The effects of the volatility that typified the financial markets, together with the widespread perception that the crisis was so deep that it would not be short-term, led Italians to be extremely cautious when making spending decisions. The consequences could be seen in the increased propensity to save. The central factor leading this trend, which is typical of long-term recession, was the fear of losing one's job.
This was also confirmed by the fall in the contribution of individual spending to gross domestic product, which shrank by 2.6% in the first quarter of 2009. Lower consumption was reflected in the

retail sales index, which by April was 2.3% down on the first four months of last year. The decision to postpone major purchases also translated into a simultaneous fall in the propensity to borrow and was also reflected in the slowdown in the property market.
The result was an increase in flows of new saving towards investment products. In this context the predominant mood of caution among savers led to an increase in the preference for cash and to the acquisition of debt securities, in particular those issued by governments and banks, at the expense of shares and assets under management. €14.5bn flowed out of investment funds in the first half of the year. Bond and flexible funds were the types most affected by divestments. However, cash and balanced funds also had negative net income. It should be noted that, thanks to the partial upturn in financial markets, equity entrusted to investment funds has increased in the last three months but not enough to return to levels recorded at the end of 2008.
The latest figures issued by the Banca d'Italia for net income from asset management are confirmation of the difficulties that the business of managed savings is currently experiencing: in the fourth quarter of 2008 surrendered policies exceeded new investments by approximately €7bn, thus reducing funds managed to €412bn, more than 22% down since the end of 2007.

Pension Funds Market

2009 began against a general background of the crisis in the financial markets, even though pension funds were not much affected by investments in securities of failed companies or those suffering a serious lack of liquidity. The difficulties of the last two years have not caused members to be particularly distrustful, since they seem to be aware that results must be assessed over the long term.
The increase in the number of new members of supplementary types of pension scheme led to positive but modest results for occupational and open-end pension funds, which recorded increases of 0.4% (7,700 new members) and 0.6% (4,800 new members) respectively during the half year. PIP insurance grew more substantially, recording an increase of 4.9% (34,300 new policies) during the half year.
Despite the substantial adequacy of the legislative framework, the wide range of products and the increase in contributions, overall the supplementary pension system is developing only slowly. Now that the stimulus provided by the coming into effect of Law 252/05 has run out of steam, there is no new major legislation that could give fresh impetus to growth in supplementary pension business in Italy. It should be pointed out that there are new proposals to introduce several amendments to the current package of regulations aimed at providing a fresh stimulus for membership (e.g. a new six-month period of silence indicating assent and the possibility of reversing the decision on staff-leaving indemnity).
On the other hand the private sector occupational pension fund system is practically fully operational, with more than two million members (representing 15% of the potential total) and €14,900m of assets under management. The public sector supplementary pension system still lags behind; in fact the Espero pension fund (schools) is the only one already up and running.
The open-end pension fund system has more than 800,000 members and total assets under management of approximately €4,800m.

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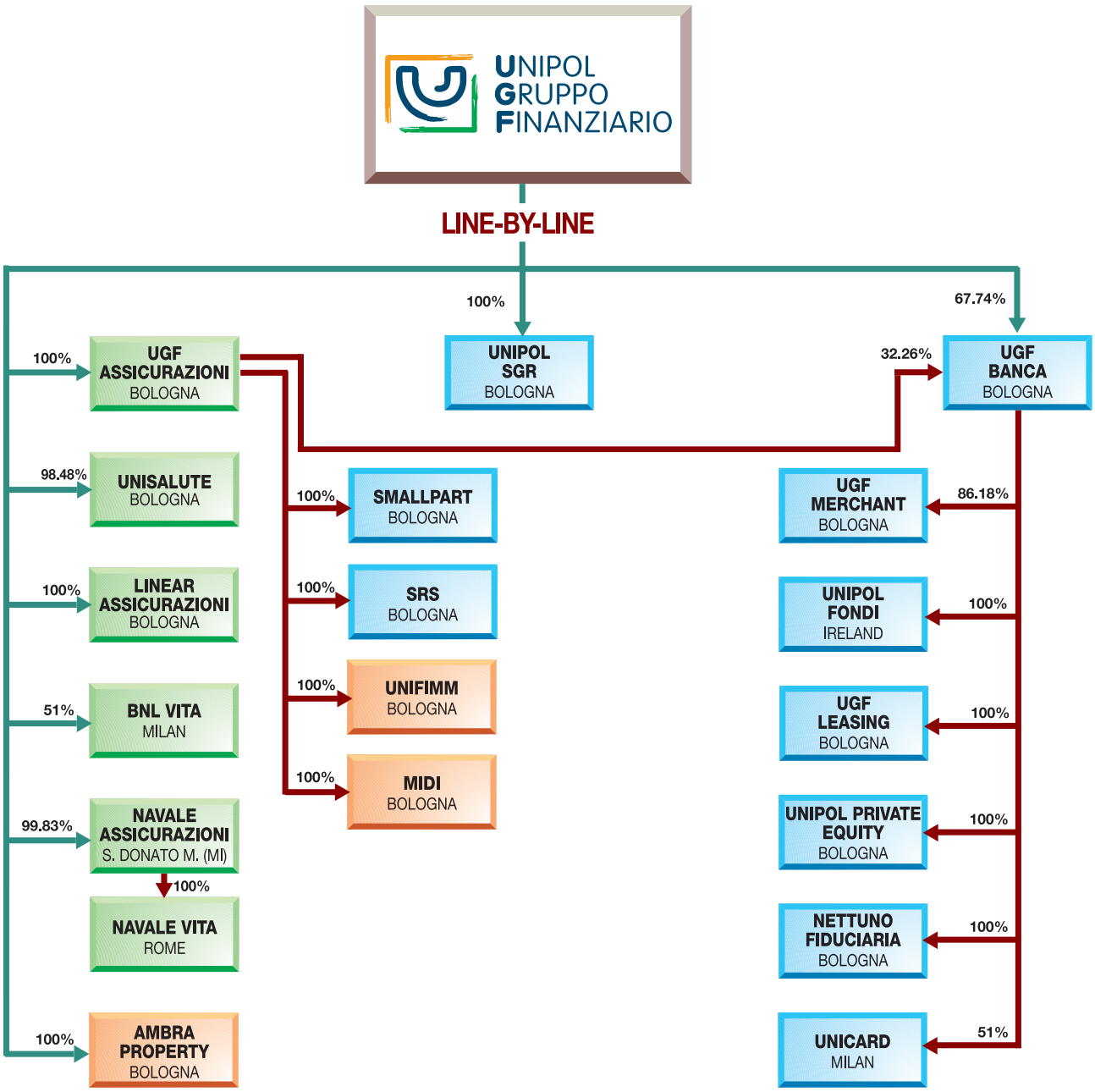
Unipol Gruppo Finanziario's Condensed half-yearly consolidated report was submitted to KPMG spa for limited auditing. This company of auditors also has the task of auditing the consolidated accounts for the period 2006/2011.

The table below shows the Group's most significant figures as at 30 June 2009.

BASIS OF CONSOLIDATION AS AT 30 JUNE 2009



HOLDING | INSURANCE COMPANIES | PROPERTY AND OTHERS | FINANCIAL SERVICES AND BANKS

GROUP HIGHLIGHTS (amounts in €m)	30/06/2009	30/06/2008	31/12/2008
Income from Non-Life assurance premiums	2,163	2,182	4,357
% variation	*-0.9 (1)*	*3.4 (1)*	*1.6 (1)*
Income from Life assurance premiums	2,772	1,619	3,519
% variation	*71.2 (1)*	*-13.3 (1)*	*-1.7 (1)*
including income from Life investment products	*9*	*8*	*20*
% variation	*16.0 (1)*	*25.8 (1)*	*19.3 (1)*
Total insurance business - Direct income	4,935	3,801	7,876
% variation	*29.8 (1)*	*-4.5 (1)*	*0.3 (1)*
Banking business - Direct customer deposits	8,793	7,766	8,728
% variation	*0.7 (2)*	*-14.6 (2)*	*-4.1 (2)*
Annual Premium Equivalent (APE) Life business - Group share	193	130	273
% variation	*48.4 (1)*	*-6.3 (1)*	*-7.9 (1)*
Loss ratio - Non-Life business - direct business	78.3%	73.8%	76.3%
Combined ratio - Non-Life business - direct business	100.0%	96.1%	98.6%
Net capital gains and investment income (excl. assets/liabilities recorded at fair value)	501	496	651
% variation	*1.0 (1)*	*-26.4 (1)*	*-43.5 (1)*
Profit before taxation	106	363	134
% variation	*-70.7 (1)*	*-9.7 (1)*	*-77.9*
Consolidated profit	63	250	107
% variation	*-74.6 (1)*	*-12.6 (1)*	*-74.5*
Net profit - Group	57	238	93
% variation	*-76.1 (1)*	*-8.6 (1)*	*-76.2*
Result for comprehensive income statement	133	-97	
Investments and liquid assets	38,140	37,339	36,285
% variation	*5.1 (2)*	*-6.1 (2)*	*-8.8 (2)*
Technical provisions	26,840	25,363	25,298
% variation	*6.1 (2)*	*-2.7 (2)*	*-3.0 (2)*
Financial liabilities	11,114	10,944	10,895
% variation	*2.0 (2)*	*-7.3 (2)*	*-7.8 (2)*
Shareholders' equity pertaining to the Group	3,531	3,842	3,433
% variation	*2.9 (2)*	*-23.0 (2)*	*-31.2 (2)*
No. staff	7,084	6,742	6,991

(1) % variation on corresponding period in previous year

(2) % variation on previous year end

Annual Premium Equivalent	New Life business expressed in APE is a measure of the turnover of new policies and is the sum of the regular premiums from new business and a tenth of the single premiums. This indicator is used for evaluating business together with the in-force value and the Group's new Life business value.
Loss ratio (direct business)	This is the principal indicator of the profitability of an insurance company's operations. It is the ratio between the cost of direct claims for the period and direct income for the period.
Combined ratio (direct business)	This indicator measures the balance of Non-Life core business and is made up of the sum of the expense ratio (the ratio of total operating expenses to direct income) and the loss ratio.

These indicators (APE, loss ratio, expense ratio and combined ratio) are not calculated as laid down in the accounting rules but in accordance with economic and financial procedure.

Interim Management Report

Management report

Reorganising the Group's companies and departments

In the first half of 2009 the Group completed the process of reorganising its companies and departments under the 2006-2009 Business Plan. The necessary authorisation having been obtained, UGF Assicurazioni S.p.A. came into existence on 1 February 2009 as a result of the incorporation of Aurora Assicurazioni into Unipol Assicurazioni. The new company continues to benefit from the commercial strength of the Unipol and Aurora brand names since the sales networks were kept distinct and independent, with the additional aim of continuing to ensure that the Unipol and Aurora networks were marked out by their optimum presence throughout the country and efficient customer service.

Today the Group is made up of a holding company, UGF SpA, which controls one of the leading insurance companies in Italy (UGF Assicurazioni), several single-purpose companies (Linear, Unisalute and Navale), a bancassurance company (BNL Vita) and UGF Banca, the parent company of the Banking Group of the same name.
The concentration in the holding company or in UGF Assicurazioni of services and technology required for the Group to operate completed the reorganisation work carried out over the past few years. The Group's geographical structure was also reorganised in 2009 by the creation of six regions with both insurance and banking resources and expertise enabling them to respond promptly to all the requirements of the various points of sale. At the same time the commercial relations between the Group's bank branches and insurance agencies were redefined in order to increase the potential advantage to the network of agencies, in terms of both commissions and customer loyalty, of widening the range to include banking and financial products.

Rationalising the companies in order to draw a distinction between holding company business and the work carried out by each individual company and the new geographic structure are expected to stimulate integration between the various areas of business and between the insurance and banking sales networks. This, together with further economies of scale and expertise, will enable the Group to tackle the negative market context effectively and with determination.
In the second half of the year work will also continue on promoting the new brand names and promoting the Group as a supplier of integrated insurance and financial services that can fulfil the diverse requirements of target customers, namely individuals and small and medium-sized enterprises. In particular a huge national advertising campaign will be launched and will be prominent in all the main media, from television to the press, for several months.

Mention should also be made of the acquisition at the end of May of UGF Banca's minority holdings, 15.47% of the company, in fulfilment of one of the strategic guidelines of the 2006-2009 business plan.

During the first half of 2009 the Group drew up a rationalisation plan in order to adapt debt instruments to recent developments in legislation and to make best use of sources of finance to guarantee solvency. This project included the following operations:

- the replacement of UGF SpA by UGF Assicurazioni as issuer of the subordinate bonded loan for €300m expiring in 2021. ISVAP authorised this operation in July, making it possible, once the replacement procedure was concluded, to classify the subordinate bonded loan as one of the elements that make up the available solvency margin of the subsidiary UGF Assicurazioni;
- the voluntary public offer made by UGF in June for the entire amount of the subordinate bonded loan issued in 2003 and expiring in 2023 for a nominal amount of €300m. The bid, resolved by UGF's Board of Directors on 4 June 2009 at a price of €87.5 for each €100 of nominal value, concluded on 9 July 2009 with 12.77% being taken up, corresponding to a nominal value of €38m;

- finally on 1 July 2009 UGF issued a three-year senior bonded loan with a fixed rate of 5.25% for €175m, which had been resolved by the Board of Directors on 25 June 2009. This issue was placed through UGF Merchant S.p.A. with qualified investors, including the holding companies Finsoe S.p.A. and Holmo S.p.A.

In a period characterised by a profound worldwide crisis, which affected not only the economy but also growth, the UGF Group decided to act responsibly in pursuing its business objectives with a view to achieving sustainability in the long term and balancing the interests of all stakeholders.
To this end Group reorganisation was accompanied by the drawing up of a set of corporate values, the Charter of Values (which involved the direct participation of all Group employees and of representatives of the Agents) and the new Code of Ethics, which translates the principles into a code of conduct. Continuing dialogue with the various stakeholders within the Group and the community as a whole took the form of publication of the Social Report and the many public meetings throughout the country involving representatives of financial, university and research bodies, cooperatives and society at large.

Business performance

Direct Life insurance income continued to rise substantially in the first half of 2009, to €2,772m from €1,619m in the first half of 2008 (+71.2%). Much of this increase was attributable to the subsidiary BNL Vita, which in the first six months of the year achieved income of €1,763m, more than for the whole of 2008 (€1,535m). Income from the Group's own networks, which consist of the UGF Assicurazioni agencies and the branches of UGF Banca, was also well up (+18%) thanks to the marketing of products that were popular with customers wishing to protect their investments against the turbulence in the financial markets and to the strength of the Group's sales networks.
If income obtained through head offices is also taken into account, including pension funds (substantially the same as in the same period last year) income from Group channels was up 9.5%.
New business in terms of APE, net of minority interests, amounted to €193m in the first half of 2009, a significant increase of 48.4% compared with the first half of 2008. In particular BNL Vita's APE grew from €69m to €186m (+170%) and UGF Assicurazioni also made a positive contribution to the Group figure with €98m (+4% compared with the first half of 2008 when the proforma figure had been up substantially at +33%).
As regards Non-Life business performance, direct income was slightly down (-0.9%) at €2,163m as was expected with a strategy that in view of the negative climate in the economy as a whole and the sector emphasised a very selective underwriting policy aimed at reforming the portfolio and reviewing prices. To be specific MV income was down 3.3% whilst the contribution from non-MV classes remained fairly positive (+3%).
The 2008 figures for Non-Life core business recorded by the leading insurance groups and by the entire Non-Life insurance market confirmed that there had been a deterioration in loss ratios across the board. The continuing erosion of the average MV TPL premium left its mark, whilst in non-MV classes the deterioration was mainly linked to the increase in the number of claims for damage caused by the particularly violent and frequent storms that had affected the centre and north of Italy in particular and to the effects of the negative economic situation.
The negative climate that had been a feature of 2008 continued in the first half of 2009 and the Group continued to be affected by the poor performance in core business that had started in the second half of 2008. The loss ratio for direct business for the period was 78.3% compared with 76.3% at the end of 2008. The increase in the number of MV TPL claims reported was also felt in the first half of the year. The performance of several inclusive policies that had already been amended or written off, or would have been by the maturity date, and continuing losses caused by bad weather and natural disasters, which at the half-year point were more than €30m higher than in the same period last year, also had their effects.
The Group had already decided to increase tariffs and to be more selective with its portfolio and the intermediaries with whom it operates, the positive effects of which on the loss ratio are expected to be limited over the next few months but more marked in the medium term. Measures were also taken, and will be continued in the second half of the year, to rationalise the Group's presence

throughout Italy and to make the network of agencies more aware that the primary objective is a return to profitability in core business.
Claims-handling policies were reviewed from the organisational, procedural and IT point of view in order to speed up the claims-handling process even more and measures were taken to reduce the average cost of personal injury claims.
The expense ratio for direct business at the half-year point was 21.8%, down compared with 22.3% in the first half of 2008 as a result of measures to keep costs down and lower commissions paid because of the reduction in the proportion linked to performance in core business.
Nevertheless the Group recorded a combined ratio (direct business) for the half-year of 100%, mainly in line with the 99.6% recorded for the first quarter of 2009 and much higher than the 96.1% for the first half of 2008 when the negative effects on the loss ratio recorded in the second half of 2008 had still not been felt in full.

In a difficult economic climate the focus in banking business was on consolidating the approximately 300 existing branches, 182 of which were combined with points of sale for insurance products, in accordance with the guidelines resulting from the Group's new geographical set-up. The recent changes in top management form part of the strategic plan to make further improvements to the business synergies between UGF Banca and the insurance companies in the Group. UGF Banca's performance in the first half of 2009 saw a further expansion of banking activity in terms of increases in retail customer deposits (+10%).
Lending policy was subjected to careful review with the aim of reducing the proportion of medium- to long-term lending to customers, especially in corporate business, the focus being on lending to small and medium-sized commercial businesses and maintaining the Bank's existing good market position vis-à-vis retail customers, which are its primary target, in the medium- to long-term. Last year's good performance of loans to individuals enabled a new securitisation operation to be carried out. It concluded in June 2009 and was for €611m. However, there was a marked reduction in the granting of mortgages to businesses (-63%) as a result of the new lending policy, mentioned above, which reduced mortgages to businesses as a percentage of existing lending to customers.
The current economic crisis continued to mean that there was a significant incidence of net doubtful debts on lending to customers. However, none of this affected UGF Banca's return to profit (more than €4m) after the loss for 2008 as a result of extraordinary amounts being set aside on several items.

As for asset management, in view of the current recession and the contrasting trends in the financial markets, with the first quarter being very negative and the second quarter improving, the Group continued with its prudent investment policies aimed at safeguarding the portfolio, compatibility with liabilities to policyholders and solvency. Therefore a considerable level of liquidity continued to be maintained, albeit investments in fixed-rate debt securities increased. Management of the share portfolio, in which there were no new investments, was based on defensive hedging strategies that enabled the Group's equity to be properly monitored at the acute stages of the decline in prices.

Overall the UGF Group ended the first half of 2009 with a consolidated net profit of €63m and solvency in line with the end of 2008 (approximately 1.25 times the minimum requirements) despite the acquisition of UGF Banca's minority holdings, which had an effect on Group solvency of approximately €200m.

Salient aspects of business operations

The consolidated half yearly report as at 30 June 2009 ended with a consolidated profit of €63m (€250m as at 30/6/2008, -74.6%), €7m of which pertained to minority interests (€12m as at 30/6/2008). Group net profit was €57m (€238m as at 30/6/2008, -76.1%).

Amongst the most important aspects that characterised Group performance the following are worthy of note:

- income from insurance business, gross of reinsurance cessions, was €4,935m (€3,801m as at 30/6/2008, +29.8%), €9m of which related to Life investment products (€8m as at 30/6/2008); direct Non-Life income amounted to €2,163m (-0.9%) and Life income €2,772m (+71.2%);
- earned premiums, net of reinsurance cessions, amounted to €4,881m, €2,125m of which was from Non-Life business (€2,023m as at 30/6/2008) and €2,756m from Life business (€1,606m as at 30/6/2008);
- customer deposits from banking business amounted to €8,793m (+0.7% compared with 31/12/2008);
- net charges relating to claims, net of reinsurance cessions, amounted to €4,601m, €1,680m of which was from Non-Life business (€1,499m as at 30/6/2008) and €2,921m from Life business (€1,622m as at 30/6/2008), and included €189m of net charges on financial assets and liabilities recorded at fair value (charges of €196m as at 30/6/2008);
- the net loss ratio in Non-Life direct business was 78.3% (73.8% as at 30/6/2008);
- operating expenses, net of commission received from reinsurers, amounted to €681m (€646m as at 30/6/2008); in Non-Life business they amounted to €479m (€461m as at 30/6/2008) and in Life business they were €57m (€62m as at 30/6/2008);
- the level of investments and liquid assets amounted to €38,140m (€36,285m as at 31/12/2008);
- technical provisions and financial liabilities amounted to €37,954m. The equivalent value as at 31 December 2008 was €36,193m;
- net capital gains and investment income from financial assets and liabilities (excluding those recorded at fair value) amounted to €501m during the period (€496m as at 30/6/2008);
- the total gross result amounted to €106m (€363m as at 30/6/2008). Net of tax for the period of €43m and of the net profit pertaining to minority interests of €7m the Group net profit as at 30 June 2009 was €57m (€238m as at 30/6/2008);
- the incidence of taxation on the gross result for the period was 40.4% compared with 31.3% as at 30 June 2008;
- The consolidated result for the second quarter of 2009 alone amounted to €23m (the second quarter of 2008 having closed with a net profit of €121m).

Below is a summary of the consolidated profit and loss account as at 30 June 2009 broken down by business sector: insurance (Non-Life and Life), banking and holding and service company compared with the figures as at 30 June 2008.
It should be mentioned that, as a result of insurance services being hived off from the holding company UGF to the subsidiary UGF Assicurazioni, comparing the figures for Holding and Services business with those recorded as at 30 June 2008 is not particularly meaningful.

Summary of consolidated income broken down by business sector

Amounts in €m

	NON-LIFE BUSINESS			LIFE BUSINESS			INSURANCE TOTAL			BANKING BUSINESS			HOLDING AND SERVICE COMPANY			Intersector eliminations		CONSOLIDATED TOTAL		
	Jun-09	Jun-08	var.%	Jun-09	Jun-08	var.%	Jun-09	Jun-08	var.%	Jun-09	Jun-08	var.%	Jun-09	Jun-08	var.%	Jun-09	Jun-08	Jun-09	Jun-08	var.%
Net earned premiums	2,125	2,023	5.0	2,756	1,606	71.6	4,881	3,628	34.5									4,881	3,628	34.5
Net income from fees and commissions	0	0		1	1	-36.1	1	1	-28.8	38	41	-8.0				-3	-6	36	36	0.1
Financial income/charges (excl. assets/liabilities recorded at fair value)	112	204	-45.2	302	291	3.8	414	495	-16.4	97	38	153.9	8	84	-90.9	-17	-121	501	496	1.0
Net interest	*59*	*120*		*267*	*311*		*327*	*431*		*118*	*123*		*-6*	*19*				*439*	*573*	
Other income and charges	*42*	*67*		*15*	*28*		*57*	*95*		*1*	*1*		*15*	*55*		*-17*	*-69*	*56*	*82*	
Profit and loss realised	*6*	*42*		*12*	*58*		*18*	*100*		*8*	*0*		*-1*	*15*		*0*	*-52*	*24*	*63*	
Profit and loss arising out of valuation	*5*	*-26*		*8*	*-105*		*13*	*-131*		*-30*	*-86*		*0*	*-5*				*-17*	*-222*	
Net charges relating to claims	-1,680	-1,499	12.1	-2,921	-1,622	80.0	-4,601	-3,121	47.4							0	4	-4,601	-3,117	47.6
Operating expenses	-479	-461	3.8	-57	-62	-7.7	-536	-523	2.5	-127	-116	10.0	-59	-156	-62.1	40	148	-681	-646	5.5
Provisions and other acquisition costs	*-399*	*-386*	*3.4*	*-33*	*-37*	*-9.1*	-433	-423	2.3									-433	-423	2.4
Other expenses	*-79*	*-75*	*6.1*	*-24*	*-25*	*-5.6*	-103	-100	3.2	*-127*	*-116*	*10.0*	*-59*	*-156*	*-62.1*	40	148	-249	-223	11.4
Other income/charges	-17	-21	-18.6	-17	-11	50.5	-34	-33	5.5	1	4	-65.6	40	127	-68.5	-36	-132	-29	-34	-14.6
Pre-tax profit (loss)	61	246	-75.4	64	203	-68.3	125	449	-72.2	8	-33	-125.1	-11	55	-120.5	-15	-108	106	363	-70.7
Taxation																		-43	-114	-62.2
Consolidated profit (loss)																		63	250	-74.6
Profit (loss) - minority interests																		7	12	-45.0
Profit (loss) - Group																		57	238	-76.1

Insurance business

Premium income and investment products

Total income (premiums and investment products) as at 30 June 2009 amounted to €4,955m, an increase of 29.7% compared with the situation as at 30 June 2008. Mention should be made of the considerable increase in Life business (+71%), whilst Non-Life business was slightly down (-0.8%).

Income as at 30 June 2009 is broken down as follows:

- Non-Life premium income 44% (57.5% as at 30/6/2008)
- Life premium income 55.8% (42.3% as at 30/6/2008)
- Life investment products 0.2% (0.2% as at 30/6/2008).

In compliance with the requirements of IFRS 4 (presence of a significant insurance risk) all the Non-Life income of the companies in the Group was classified as insurance premiums.

As regards Life business, investment products as at 30 June 2009 related to Class III - Unit- and index-linked policies, Class V – Capitalisation policies and Class VI - Pension funds.

Consolidated income
Amounts in €m

	30/6/2009	*comp. %*	30/6/2008	*comp. %*	*var. %*
Non-Life direct premium income	2,163		2,182		*-0.9*
Non-Life inward reinsurance	17		16		*6.0*
Total Non-Life premium income	2,180	*44.0*	2,198	*57.5*	*-0.8*
Life direct premium income	2,763		1,612		*71.4*
Life inward reinsurance	3		4		*-15.7*
Total Life premium income	2,766	*55.8*	1,615	*42.3*	*71.2*
Total Life investment products	9	*0.2*	8	*0.2*	*16.0*
Total income from Life business	2,775	*56.0*	1,623	*42.5*	*71.0*
Total income	4,955	*100.0*	3,821	*100.0*	*29.7*

Almost all the policies issued were subscribed in Italy.
Premium income for the second quarter alone amounted to €2,258m (€2,129m in the second quarter of 2008, +6%).
Direct income amounted to €4,935m (+29.8% compared with 30/6/2008), €4,926m of which was premium income (€3,793m as at 30/6/2008) and €9m investment products (€8m as at 30/6/2008).

Income breakdown per class of business, with the breakdown indices and the variation compared with the corresponding period of the previous year, is set out in the following table:

Breakdown of consolidated income per class of business *Amounts in €m*	30/6/2009	*comp. %*	30/6/2008	*comp. %*	*var.%*
DIRECT ITALIAN BUSINESS					
Non-Life premium income					
Accident and Health (classes 1 and 2)	362	*7.4*	339	*8.9*	*6.8*
Land vehicles - TPL (class 10)	1,115	*22.6*	1,156	*30.5*	*-3.5*
Land vehicles - Own damage or loss (class 3)	176	*3.6*	180	*4.8*	*-2.1*
Marine, Aviation and Goods in transit (classes 4, 5, 6, 7, 11 and 12)	16	*0.3*	18	*0.5*	*-8.7*
Fire and Other damage to property (classes 8 and 9)	219	*4.4*	216	*5.7*	*1.4*
General TPL (class 13)	186	*3.8*	182	*4.8*	*2.3*
Credit and Bond (classes 14 and 15)	17	*0.4*	22	*0.6*	*-20.6*
Miscellaneous pecuniary losses (class 16)	29	*0.6*	29	*0.8*	*1.7*
Legal protection (class 17)	15	*0.3*	14	*0.4*	*4.1*
Assistance (class 18)	26	*0.5*	26	*0.7*	*0.2*
Total Non-Life business	2,163	*43.9*	2,182	*57.5*	*-0.9*
Life premium income					
I - Life assurance, annuities	2,257	*45.8*	860	*22.7*	*162.6*
III - Insurance linked to inv. funds/market indices	165	*3.4*	424	*11.2*	*-61.0*
IV - Health	0	*0.0*	0	*0.0*	*116.1*
V - Capitalisation	133	*2.7*	119	*3.1*	*11.7*
VI - Pension funds	208	*4.2*	209	*5.5*	*-0.6*
Total Life business	2,763	*56.1*	1,612	*42.5*	*71.4*
Total Life and Non-Life direct premium income	4,926	*100.0*	3,793	*100.0*	*29.8*
Life investment products					
III - Insurance linked to inv. funds/market indices	1	*0.0*	2	*0.0*	*-40.3*
V - Capitalisation	1	*0.0*	0	*0.0*	*0.0*
VI - Pension funds	7	*0.1*	6	*0.2*	*12.5*
Total Life investment products	9	*0.2*	8	*0.2*	*16.0*
Life direct income					
I - Life assurance, annuities	2,257	*45.7*	860	*22.6*	*162.6*
III - Insurance linked to inv. funds/market indices	166	*3.4*	426	*11.2*	*-60.9*
IV - Health	0	*0.0*	0	*0.0*	*116.1*
V - Capitalisation	134	*2.7*	119	*3.1*	*12.7*
VI - Pension funds	215	*4.3*	215	*5.7*	*-0.2*
Total Life direct income	2,772	*56.2*	1,619	*42.6*	*71.2*
Total direct income	4,935	*100.0*	3,801	*100.0*	*29.8*
INWARD REINSURANCE					
Non-Life premium income	17	*84.2*	16	*81.0*	*6.0*
Life premium income	3	*15.8*	4	*19.0*	*-15.7*
Total inward reinsurance	20	*100.0*	20	*100.0*	*1.9*
COMPREHENSIVE CONSOLIDATED INCOME	4,955		3,821		*29.7*

The classification of premium income according to class set out above complies with the provisions of Article 2 of Legislative Decree 209 of 7 September 2005 – Insurance Code (para. 1 in the case of Life business and para. 3 in the case of Non-Life business).

The following table shows direct income as at 30 June 2009, broken down according to sector and separated into Non-Life premium income, Life premium income and investment products (in €m):

Direct income according to sector *Amounts in €m*	Non-Life premium income	Life premium income	Total	*comp. %*	Investment products	Total income	*comp. %*
Traditional composite companies	1,856	1,000	2,857	*58.0*	9	2,865	*58.1*
Non-Life specialist companies	306	0	306	*6.2*	0	306	*6.2*
Bancassurance companies	0	1,763	1,763	*35.8*	0	1,763	*35.7*
Total direct income	2,163	2,763	4,926	*100.0*	9	4,935	*100.0*

Life business

Life income as at 30 June 2009 totalled €2,775m, up 71% compared with 30 June 2008.
Direct premium income amounted to €2,772m, an increase of 71.2% compared with 30 June 2008 thanks to Class I – traditional policies which, with an increase of 162.6%, continued to grow as in the first few months of the year. Class V – capital redemption policies was up 12.7%, Class III – index- and unit-linked policies was down (-60.9%) and Class VI – pension funds was slightly down (-0.2%). This shows how the breakdown of income was linked to market performance, which led to customers preferring traditional products, less exposed to financial risks.
Direct Life premium income amounted to €2,763m as at 30 June 2009 whilst investment products amounted to €9m. As at 30 June 2008 Life premium income had been €1,612m and investment products €8m.

New business in terms of APE, net of portions pertaining to minority interests, amounted to €193m in the first half of 2009, a significant increase of +48.4% compared with the first half of 2008 (pro rata figures on the same basis of consolidation, that is net of Quadrifoglio Vita, which was sold during 2008). In particular BNL Vita's APE grew from €69m to €186m (+170%), €95m of it pertaining to the Group, whilst UGF Assicurazioni's contribution to the Group figure was €98m (+4% compared with the first half of 2008 when the proforma figure had been up substantially at +33%).

The traditional composite company UGF Assicurazioni achieved Life direct income of €1,009m, an increase of 3.8% compared with 30 June 2008. Life premiums amounted to €1,000m (€964m as at 30/6/2008) whilst investment products amounted to €9m (€8m as at 30/6/2008). Class I – traditional policies (+26.8%) and Class V – capital redemption policies (+2.8%) were up, whilst Class III – unit- and index-linked policies (-98.9%) and Class VI – pension funds (-0.2%) were down.
Income from Life policies achieved via UGF Banca banking outlets was €118m as at 30 June 2009 (+€51.3m as at 30/6/2008).

The bancassurance company BNL Vita achieved total income of €1,763m compared with €642m as at 30 June 2008. Class I was well up (+388.8%), Class V shot up from €1m to €14m, Class VI was the same and not particularly significant at €0.5m, whilst income from Class III was down (-47.8%).

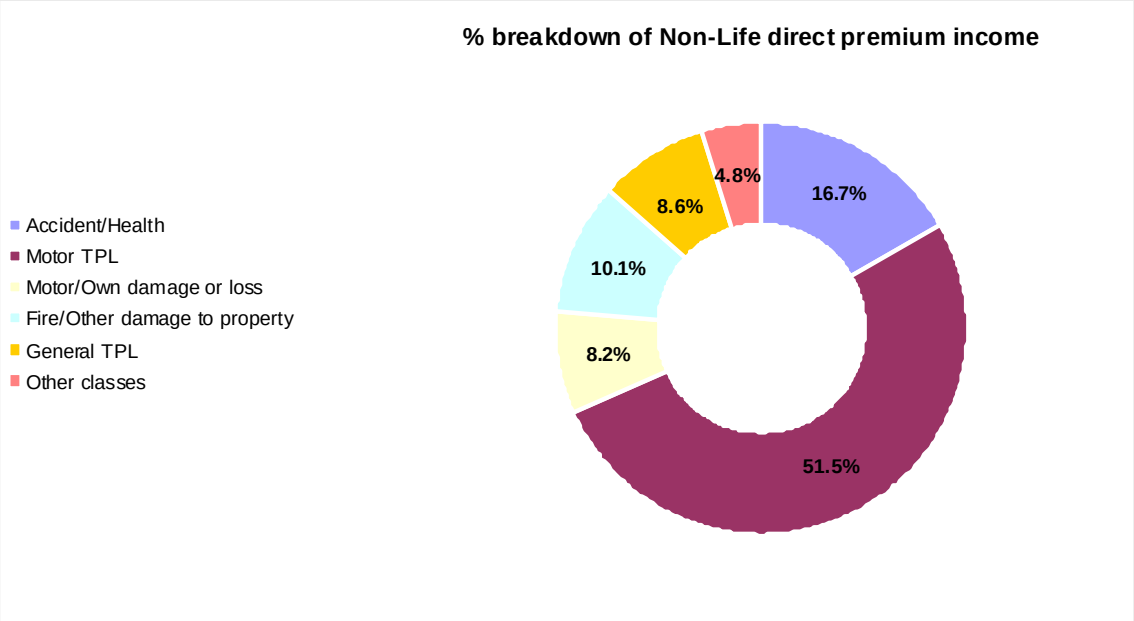
Pension funds

As for UGF Group occupational pension fund business since the end of 2008, the mandate to manage the Espero Pension Fund (the pension fund for schools) was launched and several agreements for providing annuities following last year's successful bid for the Assofondipensione mandate were signed.
Asset management continued as normal and at this time there was a total of 27 occupational pension funds mandates (15 of which were for 'with guaranteed capital sum and/or minimum return'). At the end of the half-year total assets under management amounted to €1,789m.

In open-end pension funds business the assets of Unipol Futuro, Unipol Previdenza, Unipol Insieme, Aurora Previdenza and BNL Pensione Sicura had reached totals of €180m and 22,808 members by the end of June.

Non-Life business

Total premium income in the Non-Life portfolio amounted to €2,180m as at 30 June 2009 (-0.8% compared with 30/6/2008).
Direct premiums amounted to €2,163m (-0.9% compared with 30/6/2008) whilst income from inward reinsurance amounted to €17m (€16m in the first half of 2008).
MV TPL continued to perform as in the first quarter of the year, with a decrease of 3.5% caused by both the reduction in the client portfolio and the fall in the average premium. The classes linked to additional MV cover were down 2.1%.
Accident and Health recorded an increase of 6.8% and Fire and Other Damage to Property was also up (+1.4%). General TPL recovered after the first three months of the year, ending 2.3% up on the first half of 2008.



The composite company UGF Assicurazioni had direct premium income of €1,856m (-2.2%). Particular mention should be made of the drop in MV TPL (-4.7%) and Land vehicles – own damage or loss (-3.1%), whilst other Non-Life classes grew by 1.7%.

The specialist companies (Navale Assicurazioni, Linear and Unisalute) wrote direct premiums of €306m (+8%).
Navale Assicurazioni achieved direct premium income of €128m as at 30 June 2009 (+4.1%). MV classes grew by 16.9% whilst the other classes were down (-10.3%).
Linear had direct premium income of €84m, a drop of 2.4% largely due to the reduction in the average premium, with an increase of 1.1% in the number of policies in the portfolio compared with 30 June 2008.
UniSalute achieved direct premium income of €94m, an increase of 26.6%, although according to market figures for the first quarter of 2009 this type of business had declined by 1.4%. Against this background Unisalute confirmed that it was capable of making the most of its specialist skills to manage health business profitably.

Reinsurance

Inward reinsurance

Total Non-Life and Life inward reinsurance premium income amounted to €20m as at 30 June 2009, an increase of +2.2% compared with 30 June 2008 and was made up of €17m of premium income from Non-Life business and €3m from Life business.

Outward reinsurance

Automatic proportional types of cession were taken out to protect the Group against Non-Life technical risks in the Bond, Credit and Other damage to property classes.
On the other hand, in accordance with market practice and procedures, non-proportional types of cover were adopted to protect exposures arising out of the portfolios retained in the following classes: MV and General Third-Party Liability, Land vehicles – own damage or loss, Accident, Goods in transit and Other damage to property caused by Hail.
A specific non-proportional type of cover was arranged to reduce the Group's net exposure to the risks retained in the Fire class, including natural disasters.
Automatic proportional types of cover were adopted for reinsuring Life risks.
In order to reduce the counterpart risk to a minimum, the reinsurance of Group undertakings was placed with leading professional reinsurers rated very sound by the world's leading rating agencies.

Non-Life direct premiums ceded amounted to €54m as at 30 June 2009 (€133m as at 30/6/2008). There was a positive result overall for reinsurers during the half year.
Non-proportional types of cover were affected by claims for Fire, MV Third-Party Liability, General TPL, Land vehicles – own damage or loss and Goods in transit during the first half of the year. The Non-Life retention index at the half-year point was 97.5% (94% as at 30/6/2008).
Life direct premiums ceded amounted to €10m as at 30 June 2009 (the same as at 30/6/2008) and generated a positive result for reinsurers.
The Life retention index at the half-year point was 99.6% (99.4% as at 30/6/2008).

Financial performance in insurance business

The Group's insurance business contributed a total of €125m to pre-tax profits, €64m of which pertained to Life business (€203m as at 30/6/2008) and €61m to Non-Life business (€246m as at 30/6/2008).
By 30 June 2009 €3m had been added to the technical provisions for index-linked policies linked to financial instruments issued by Lehman Brothers. This amount represented the financial charge accrued on liabilities arising out of the guarantee issued by UGF Assicurazioni to protect its policyholders at the end of 2008.

Total operating expenses incurred as at 30 June 2009 (acquisition and renewal commissions and other acquisition, asset management and administrative expenses), net of commissions received from reinsurers, totalled €536m (+2.5% compared with 30/6/2008).
The expense ratio for Non-Life direct business, that is the incidence of operating expenses gross of commissions received from reinsurers and investment-management expenses on direct premium income, was slightly down (21.8% compared with 22.3% as at 30/6/2008).
The loss ratio for Non-Life direct business (i.e. the incidence of charges relating to claims for direct business on the relevant direct premiums) was 78.3% compared with 73.8% as at 30 June 2008.

The increase was mainly in the MV TPL class where, in line with the rest of the market and in the face of a drop in the average premium, there was a further rise in the number of claims reported. It is expected that steps taken to increase tariffs and implement a more selective underwriting policy will rectify this situation as from the second half of the year.
Continuing claims for weather damage, the tragic earthquake that struck Abruzzo and the consequences of the negative economic situation also had their effects.

The total number of direct claims, excluding MV TPL, was 923,171, an increase of 27.9%, mainly in the Health class (+41%), but this figure must be seen in the context of the expansion of Unisalute's portfolio, which was characterised by group policies that gave rise to a large number of small claims.
As for MV TPL direct indemnity, by June 2009 the companies in the Group had recorded 262,147 'passive' claims (total non-CARD and debtor CARD claims), an increase of 7.4% compared with the number of 'passive' claims reported in the first half of 2008. Of these a good 81.8% (214,480 claims) came under the Direct Indemnity Agreement, accounting for 82% of the total (debtor CARD + non-CARD). 208,993 handler CARD claims were reported, approximately 60% being claims reported by both drivers ('two signatures'). The rate at which Card claims dealt with by Group companies alone were handled (i.e. excluding claims where there was contributory negligence, which were partially dealt with by the counterpart companies) was 63.1%, 0.6 points up on the first half of 2008.

The combined ratio, based on direct business, was 100% as at 30 June 2009 (96.1% as at 30/6/2008). This indicator is derived from the sum of the loss ratio (78.3%) and expense ratio (21.8%).

Banking business

The banking sector was made up of the UGF Banca Group and Unipol SGR.
Since 1 February 2009 Unipol SGR has no longer managed the financial assets of the companies in the Group, this work having been transferred to UGF Assicurazioni.

It will be remembered that on 20 February 2009 as part of the Group's 'brand architecture' project the Gruppo Bancario Unipol Banca (Unipol Banca Banking Group) changed its name to Gruppo Bancario UGF Banca (UGF Banca Banking Group). Similarly several companies in the Banking Group changed their company name: Unipol Merchant – Banca per le Imprese S.p.A. became UGF Merchant – Banca per le Imprese S.p.A. and Cooperleasing S.p.A. became UGF Leasing S.p.A.

In the first half of 2009 the UGF Banca Group continued its normal business, in particular the commercial activity of the Parent Company UGF Banca and a further increase in the merchant banking work that is a feature of UGF Merchant. The other companies in the Group continued to work in their own fields – Unicard in credit cards, Unipol Fondi and Nettuno Fiduciaria in asset management and UGF Leasing – with results that were not quite up to expectations.
The macroeconomic market context that typified the beginning of the year continued to be very critical as regards both credit risk and assets under management. As far as the latter type of business is concerned it should be pointed out that sales of Life policies (of the associated company UGF Assicurazioni) to banking clients continued to perform extremely well: in the first half of the year more than €118m was received in premium income, an increase of more than 50% compared with the same period last year.
We should also like to point out that at the Board meeting held on 21 April 2009 the Parent Company UGF Banca resolved to increase the share capital by €201m and to issue hybrid capital instruments for a maximum of €375m (€300m in the form of Upper Tier 2 by private placement and €75m of Lower Tier 2 to be placed with ordinary customers).

Direct customer deposits were up by €68m (+0.8%) to €8.8bn. This limited increase was attributable to the fall in deposits from the companies in the UGF Insurance Group, which was more than offset by the increase in deposits from retail customers (+10.5%).
Indirect income amounted to €20.3bn as at 30 June 2009, an increase of 0.9% compared with 31 December 2008.
Lending to customers was up by more than €123m (+1.4%) to more than €9.2bn, whilst receivables from banks amounted to €311m compared with €325m at the end of 2008 (-4.2%). The limited increase in lending to customers was due to the new lending policy adopted by the Group in view of the current macroeconomic situation.

The period closed with a net pre-tax profit of €8m (€33m loss as at 30/6/2008).

The following table shows the principal items in the income statement for banking business, set out in accordance with the layout specified for banks.

Banking business *Amounts in €m*	30/6/2009	30/6/2008	var. %
Net interest income	118	123	-3.9
Net income from fees and commissions	38	41	-8.2
Other net financial income (charges)	9	-2	
Gross operating income	165	162	1.7
Value adjustments/readjustments for impairment of financial assets	30	70	-56.4
Financial management - net result	134	92	45.5
Operating expenses	126	125	0.7
with amounts set aside for provisions for risks and charges	*2*	*13*	
Cost/income	*75.4%*	*69.1%*	*9.1*
Pre-tax profit (loss)	8	-33	

The Profit and Loss Account shows net interest income of €118m, 3.9% down as a result of a significant narrowing of the spread of rates paid and received because of the exceptional drop in interbank rates, but it indicates a healthy level of funds.
Gross operating income reached €165m, an increase of 1.7%.
Operating costs amounted to €126m (+0.7%). The increase in staffing costs because of the recruitment of new staff during 2008, especially by the Parent Company UGF Banca, and the increase in administrative expenses should also be noted.
The cost/income ratio was 75.4%. If account is taken of the figures for the UGF Banca Group alone (i.e. excluding those for Unipol SGR), there was a slight improvement in the cost/income ratio from 78.8% in June 2008 to the current 77.4%.
Analysis of the loan portfolio as at 30 June 2009 led to net amounts of €30m being set aside, -56.4% compared with the first half of 2008.

Holding and Services business

Holding and Services business was carried out by the holding company UGF and (to a not particularly significant extent) by the subsidiary Ambra Property, which owned and managed the UNA Way Bologna Fiera hotel.

1 February 2009 saw the completion of the project to reorganise the functions and companies within the UGF Group with the hive-off to the subsidiary UGF Assicurazioni of Group insurance services and the merger by incorporation of Aurora Assicurazioni into Unipol Assicurazioni, which at the same time took the name of UGF Assicurazioni. €57m of assets and €49m of liabilities were transferred.

Holding and Services business made a pre-tax loss of €11m as at 30 June 2009. (As at 30/6/2008 it had made a €55m profit thanks to the capital gain of €27m made on the sale of 50% of Quadrifoglio Vita and to €51m of dividends received from Group companies.)
The figures that were the major feature of business performance are as follows:
- €33m of income for the provision of core services (€128m as at 30/6/2008);
- €5m in other receipts and income, in particular for staff seconded to Group companies (€7m as at 30/6/2008);
- €57m of staffing costs and other operating costs for holding company business (€168m as at 30/6/2008);
- €14m in income from shareholdings by way of dividends received from Group companies (€78m as at 30/6/2008);
- €12m of net income/charges from financial assets (€25m as at 30/6/2008);
- €19m of interest payable on subordinated bonded loans (€19m as at 30/6/2008).

Investments and available cash in Holding and Services business amounted to €4,994m as at 30 June 2009 (€5,017m as at 31/12/2008), €4,240m of which was accounted for by holdings in subsidiary companies, which had risen by €66m owing to payments to subsidiary companies for capital increases.

Financial liabilities included €600m of subordinate liabilities, the same as on 31 December 2008.

On 4 June 2009 UGF's Board of Directors resolved to make a voluntary public offer for the entire subordinate bonded loan known as UGF 5.66% fixed/floating callable expiry date 2023, issued in 2003 with a nominal value of €300m, at a price of €87.5 for each €100 of nominal value. The public offer concluded on 9 July 2009 and received applications for a nominal value of €38.3m.
On 1 July 2009 UGF issued a senior bonded loan for €175m, which had been resolved by the Board of Directors on 25 June 2009. The loan, which is not expected to be listed, was issued at par, will be for three years and will earn interest at an annual fixed rate of 5.25%. The issue was fully subscribed during June and provided cash to fund the strategies of the companies in the UGF Group and the work to rationalise the Group's equity structure.

Intersector elimination

Intersector elimination related to the derecognition of income and costs between Group companies belonging to different sectors. To be specific the negative balance of €15m related to the derecognition of dividends within the Group.

Group property and financial management

Investments and liquid assets

The first half of 2009 was characterised by the financial markets apparently going in opposite directions: in contrast to a first quarter that was very negative because of the after-effects of the international financial crisis that began during 2008, the second quarter was characterised by a substantial upturn as a result of which various markets ended the half year on a positive note.
Standard & Poor's index, representing the US Stock Exchange, ended the first half of the year 1.8% up (1st quarter -11.7%, 2nd quarter +15.2%), the Eurostoxx50 index, representing stock markets in the Eurozone, was 1.9% down during the same period (1st quarter -15.4%, 2nd quarter +16%), whilst the Japanese Nikkei 225 was up 12.4% (1st quarter -8.5%, 2nd quarter +22.8%).
One of the reasons for the upturn in financial markets was the reversal of the main retail and manufacturing indicators in the principal industrialised economies, leading operators to expect an improvement in the economy and paving the way for a rise in share prices.
The fact that the economic policy authorities continued to apply expansionary fiscal and monetary policies and the improvement in bank profitability provided the final stimulus for the upturn in the financial markets.
The downward trend in rates on Interbank deposits (Euribor) that had begun at the end of 2008 continued in the second quarter, the three-month Euribor rate ending the half year at 1.10% compared with 1.51% at the end of March and 2.89% at the end of 2008.
The origin of this trend was to be found in the strongly expansionary monetary policy maintained by the European Central Bank by:

- reducing the repo rate to 1% from 2.50% at the beginning of the year;
- injecting more cash into the system by carrying out repo operations, including long-term operations.

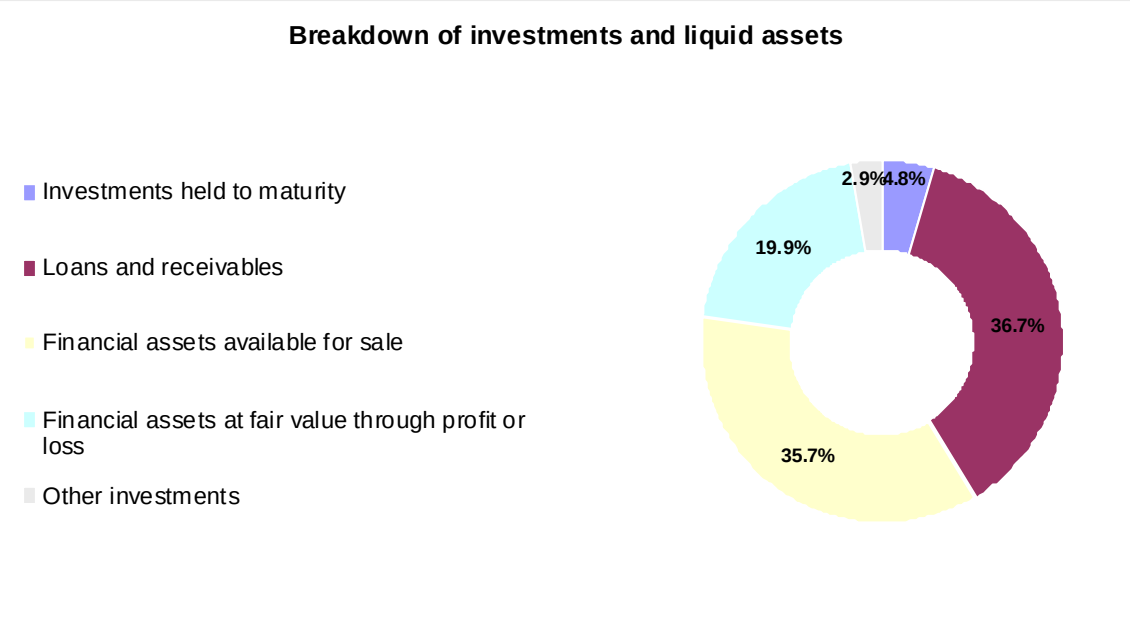
The yields on long maturity dates remained rather high because of investors' apprehension about the possible inflationary implications, in the medium term, of the steady expansion in the money supply.
The 10-year swap rate rose from 3.38% to 3.62% in the second quarter whilst the rate on Italian gilts with the same maturity date rose from 4.39% to 4.43% over the same period.
Finally, the credit market was the asset class that turned in the best performance in both the first half and the second quarter of the year: the 5-year itraxx index, representing the credit spread relating to main issuers in euro belonging to the financial and industrial sector, fell from 170.5 to 112.5 in the second quarter.
The corporate bond market benefited from the extra capital pumped into the western banking system, from the improvement in the general macroeconomic conditions and, finally, from the extra cash in the financial system.

As at 30 June 2009 the level of the Group's investments and liquid assets had reached a total of €38,140m, an increase of €1,855m compared with the position as at 31 December 2008.

The Group's investments subdivided according to type and comparisons with the position as at 31 December 2008 are set out in the following table:

Investments and liquid assets *Amounts in €m*	30/6/2009	comp. %	31/12/2008	comp. %	var. %
Property (*)	728	1.9	742	2.0	-1.9
Shareholdings in subsidiaries, associates and joint ventures	44	0.1	39	0.1	12.4
Investments held to maturity	1,825	4.8	1,813	5.0	0.6
Loans and receivables	13,981	36.7	13,712	37.8	2.0
Debt securities	4,281	11.2	4,151	11.4	3.1
Loans and receivables from banking customers	9,233	24.2	9,009	24.8	2.5
Interbanking loans and receivables	261	0.7	275	0.8	-5.0
Deposits with ceding undertakings	21	0.1	21	0.1	-1.5
Other loans and receivables	184	0.5	255	0.7	-27.9
Financial assets available for sale	13,616	35.7	11,588	31.9	17.5
Financial assets at fair value through profit or loss	7,606	19.9	8,046	22.2	-5.5
held for trading	252	0.7	869	2.4	-71.0
recorded at fair value through profit or loss	7,354	19.3	7,177	19.8	2.5
Cash and cash equivalents	339	0.9	345	0.9	-1.5
Total investments and liquid assets	38,140	100.0	36,285	100.0	5.1

(*) includes commercial properties and those available for sale (IFRS 5)



The Group's **property assets**, including property for own use and available for sale, amounted to €728m, a decrease, including depreciation for the period, of €14m compared with 31 December 2008, as a result of the sale of several properties.

Investments in subsidiaries, associates and joint ventures totalled €44m as at 30 June 2009 and were almost exclusively in affiliated undertakings (€39m as at 31/12/2008). The variation was mainly due to the €4m capital increase in the participating interest Promorest Srl provided by the indirect subsidiary UGF Merchant.

Investments held to maturity amounted to €1,825m (€1,813m as at 31/12/2008).

Loans and receivables amounted to €13,981m compared with €13,712m as at 31 December 2008. The main contribution to this item was from banking business, with €9,233m of receivables from customers (€9,009m as at 31/12/2008) and €261m of receivables from banks (€275m as at 31/12/2008).

Debt securities amounted to €4,281m (€4,151m as at 31/12/2008). €273m of assets were transferred during the half year from the category Financial assets recorded at fair value through profit or loss and reclassified as Loans and receivables. The securities were reclassified with effect from the date of the transfer.

Financial assets available for sale amounted to €13,616m (€11,588m as at 31/12/2008). The compulsory provision for profits or losses on assets available for sale (Group amount) was negative to the tune of €1,283m as at 30 June 2009 (-€1,325m as at 31/12/2008).

Financial assets recorded at fair value through profit or loss as at 30 June 2009 amounted to €7,606m (€8,046m as at 31/12/2008).
They were made up of €252m of assets held for trading (€869m as at 31/12/2008) and €7,354m of assets recorded at fair value, where the investment risk is borne by the policyholder (€7,177m as at 31/12/2008).
As already mentioned, €273m of assets were reclassified as Loans and receivables during the half year. The securities were reclassified with effect from the date of the transfer. If this reclassification had not taken place another €13m of inventory losses would have been recorded through profit or loss.

Available cash and cash equivalents amounted to €339m (€345m as at 31/12/2008).

Net capital gains and investment income

Details of net capital gains and investment income are set out in the following table:

Net investment income *Amounts in €m*	30/6/2009	*comp. %*	30/6/2008	*comp. %*	*var. %*
Investments in property	15	*2.4*	5	*0.8*	
Income from shareholdings in subsidiaries, associates and joint ventures	2	*0.3*	28	*4.4*	
Net income/charges from investments held to maturity	39	*6.4*	44	*7.0*	*-10.5*
Net income/charges from loans and receivables	285	*46.3*	223	*35.6*	*27.7*
Net income/charges from financial assets available for sale	274	*44.5*	331	*52.8*	*-17.3*
Net income/charges from financial assets held for trading	-6	*-1.0*	-13	*-2.1*	*-52.2*
Balance on cash and cash equivalents	8	*1.2*	10	*1.6*	*-22.8*
Total net income from financial assets, cash and cash equivalents	617	*100.0*	628	*100.0*	*-1.8*
Net income/charges from financial assets held for trading	-5		3		
Net income/charges from other financial liabilities	-110		-134		*-18.2*
Total net income from financial liabilities	-115		-132		*-12.6*
Total net income (excl. instruments recorded at fair value)	501		496		*1.0*
Net income/charges from financial assets recorded at fair value	307		-290		
Net income/charges from financial liabilities recorded at fair value	-118		94		
Total net income from financial instruments recorded at fair value	189		-196		
Total net capital gains and investment income	690		301		*129.6*

Net income (excluding that arising out of assets and liabilities on financial instruments recorded at fair value) amounted to €501m (€496m as at 30/6/2008).

Net income from financial instruments recorded at fair value amounted to €189m (net loss of €196m as at 30/6/2008).

It should be mentioned that €2.4m of write-downs for losses of value of the share securities already subject to impairment as at 31 December 2008 classified as Assets available for sale were recorded in the profit and loss account as at 30 June 2009.
The application of Group policy revealed no objective evidence of impairment of other share securities. For further details of the impairment test you are referred to paragraph 3 of the Notes to the Accounts.

Shareholders' equity

Group capital and reserves, including the profit for the period, amounted to €3,531m as at 30 June 2009 (€3,433m as at 31/12/2008).
The variation was due not only to the profits pertaining to the Group but to the increase in the provision for profits and losses on financial assets available for sale, up from -€1,325m as at 31 December 2008 to -€1,283m as at 30 June 2009. Equity pertaining to minority interests amounted to €211m (€273m as at 31/12/2008).

As at 30 June 2009 the Parent Company's share capital was €2,391,426,100 and was made up of 1,479,885,786 ordinary shares and 911,540,314 preference shares.

83,693 own shares were held as at 30 June 2009. They had a countervalue of €138,239.34 and were left over from those distributed to employees under the free shares scheme operated by the Parent Company UGF and the subsidiary Aurora Assicurazioni.

Technical provisions and financial liabilities

Technical provisions and financial liabilities
Amounts in €m

	30/6/2009	*comp. %*	31/12/2008	*comp. %*	*var. %*
Non-Life technical provisions	7,405	*27.6*	7,391	*29.2*	*0.2*
Life technical provisions	19,435	*72.4*	17,908	*70.8*	*8.5*
Total technical provisions	26,840	*100.0*	25,298	*100.0*	*6.1*
Financial liabilities recorded at fair value	2,265	*20.4*	2,377	*21.8*	*-4.7*
Investment contracts - insurance companies	2,107	*19.0*	2,155	*19.8*	*-2.2*
Other	158	*1.4*	222	*2.0*	*-29.0*
Other financial liabilities	8,848	*79.6*	8,517	*78.2*	*3.9*
Investment contracts - insurance companies	78	*0.7*	137	*1.3*	*-42.7*
Subordinate liabilities	1,275	*11.5*	1,278	*11.7*	*-0.2*
Payables to banking customers	6,005	*54.0*	5,565	*51.1*	*7.9*
Interbanking payables	462	*4.2*	694	*6.4*	*-33.5*
Other	1,028	*9.3*	843	*7.7*	*22.0*
Total financial liabilities	11,114	*100.0*	10,895	*100.0*	*2.0*

Technical provisions amounted to €26,840m as at 30 June 2009 (€25,298m as at 31/12/2008) and were made up of €7,405m of Non-Life technical provisions (€7,391m as at 31/12/2008) and €19,435m of Life technical provisions (€17,908m as at 31/12/2008).
Deferred liabilities to policyholders, which were included in Life technical provisions, were up from -€504m as at 31 December 2008 to -€484m as at 30 June 2009.

Financial liabilities totalled €11,114m (€10,895m as at 31/12/2008) and consisted of €2,265m of Financial liabilities recorded at fair value through profit or loss (€2,377m as at 31/12/2008) and €8,848m of Other financial liabilities (€8,517m as at 31/12/2008), €6,005m being payables to banking clients (€5,565m as at 31/12/2008).

IT systems

In the first half of 2009 new IT projects were begun in accordance with the guidelines outlined in 2008.
At the beginning of 2009 the creation of UGF Assicurazioni (from the merger of Unipol Assicurazioni and Aurora Assicurazioni) involved making a lot of changes to the IT system in order for the new company to operate. In particular the new integrated system for general bookkeeping, purchasing, management control and Group accounting was introduced at the same time as UGF Assicurazioni was launched and was being phased in during the year.
The new Group Individual Life system was introduced in the Spring. It uses the latest technology and is used for the sale of new products on UGF Assicurazioni's joint list, which is currently being finalised.
In the first few months of 2009 several agencies piloted the new Group CRM (Customer Relationship Management) system, which improves agencies' sales potential by providing more opportunities for cross-selling and up-selling.
Work began on revamping the infrastructure of the Group Contact Centre, involving updating the entire technological set-up within all the Group call centres in order to improve the levels of service and the synergies within Group.
More automation was also being introduced to help to improve the claims-handling process, risk management, risk monitoring and profitability.

Staffing

The Group had a total of 7,084 employees as at 30 June 2009 (+93 over 2008). The number of full-time equivalent (FTE) employees was 6,761.
The Parent Company UGF and Ambra Property had 460 employees between them (453 FTE), 2,193 fewer than on 31 December 2008, which corresponded to an increase of 2,284 in the number of employees in the insurance companies as a result of the hive-off of insurance services from UGF to UGF Assicurazioni.
The Group's insurance companies employed 4,330 people (4,051 FTE).
Banking business accounted for 2,294 employees (+2 since 31/12/2008), with 2,257 FTE.

Number of employees			
	30/6/2009	31/12/2008	*var.*
UGF and other companies	460	2,653	*-2,193*
Total insurance sector	4,330	2,046	*2,284*
Total banking sector	2,294	2,292	*2*
Total UGF Group	7,084	6,991	*93*

Training

The Group carried out 15,115 man/days or 108,828 hours of training during the first half of 2009. 3,664 of the Group's insurance employees took part in training spread over 8,146 man/days, 6,422 of which were classroom based and 1,724 took place via e-learning. Training for the banking sector totalled 6,969 man/days, 5,069 of which were classroom based and 1,900 were distance learning provided via the intranet.

The main projects currently being implemented are outlined below:

- all the Group's 157 senior executives attended the seminar 'The role of the Senior Executive: new skills for a changing world', a project financed by Fon.Dir. and taught by Palo Alto School;

- the second UGF Master Executive course, run by LUISS (Libera Università Internazionale degli Studi Sociali – International Free University for Social Studies in Rome) continued during the half year: 17 individuals had undergone a total of 468 hours of training by 30 June;
- 'Skills in Action', the training project financed by the FBA fund began and will involve the insurance executives and bank managers (a total of 792 individuals) attending a three-day residential course during the period May – November 2009. The seminar takes place in the classroom and in the open air and covers topics already dealt with such as communication and delegating as well as group activities such as business games and orienteering. It is being taught by Palo Alto School.

UGF Group sales network

As at 30 June 2009 the Group's sales network was subdivided as follows:

UGF Assicurazioni, traditional composite company (Non-Life and Life):
- 1,651 agencies, 588 of which sell Unipol brand products and 1,069 Aurora brand products

Linear, single-purpose MV TPL company:
- telephone (call centre)
- Internet

UniSalute, single-purpose Health and Assistance company:
- sells group policies direct
- 124 agencies (123 UGF Assicurazioni)
- Internet and telemarketing
- UGF Banca branches and four other credit bodies
- principal national brokers

Navale, Non-Life composite company, specialising according to channel:
- 537 multi-firm agencies
- 307 brokers
- 5 credit bodies

BNL Vita, Life bancassurance company:
- 724 BNL outlets

UGF Banca, credit body:
- 299 bank branches, 182 combined with insurance agencies
- 28 finance shops
- 381 financial advisers
- direct sales (telephone and Internet banking)
- 1,659 Group insurance agencies
- 17 UGF Points (highly automated sales outlets)

UGF Merchant, the bank that specialises in medium-term lending (corporate segment), merchant banking and investment banking:
- UGF Banca's network of branches

Significant events after 30 June 2009 and business outlook

On 1 July 2009 UGF issued a senior bonded loan with a face value of €175m, a three-year duration and an annual fixed rate of 5.25%, all of which was subscribed at par by private placement. The issue was placed through UGF Merchant S.p.A. in its capacity as Arranger and fully subscribed on 1 July 2009 by qualified investors, including the holding companies Finsoe S.p.A. and Holmo S.p.A. It is not expected that the bonds issued will be traded on regulated markets.
The issue provides cash to fund the strategies of the companies in the UGF Group and the work of rationalising the Group's equity structure.

On 9 July 2009 UGF S.p.A's voluntary public offer for the entire amount of the 'UGF 5.66% Fixed/Floating Rate Subordinated Callable Notes due 2023 – ISIN XS0173649798' issued on 28 July 2003 with a total nominal value of €300m and currently listed on the regulated market came to an end. Applications for a nominal value of €38,311,000 or 12.77% of the total nominal value of the securities in circulation were received. In addition to the interest accruing between the last coupon payment date of the notes and the settlement date (exclusive), investors who had accepted the Offer were paid €87.5 for each €100 of nominal value held. This was paid out on 16 July 2009.

On 29 July 2009 the Banca d'Italia authorised UGF Banca's capital increase resolved by the Board of Directors on 21 April 2009.

Group insurance and banking business continued to perform much as it had during the first half year of the year.
In Life business UGF Assicurazioni's income rose thanks to the contribution made by a major policy for the pension fund for employees of the Credito Cooperativo banks.
Non-Life business continued to suffer from claims for weather damage that even in July affected vast areas of Italy.
In banking business the agreement with Compass (Mediobanca Group) for the distribution of consumer credit products was concluded and came into effect in July. This agreement will enable our customers to be offered a high-quality product, managed by one of the leaders in the sector, with no exposure to risk.

The UGF Group's solvency has benefited still further since the end of the first half of the year from the gradual upturn in the financial markets, which has had a positive effect on the provision for securities classified as available for sale.

The climate in both the sector and the economy as a whole has continued to be negative and although there are some positive signs in the financial market they have yet to evolve into a permanent recovery. The Group's priority has continued to be maintaining strong capital adequacy in the medium to long term through a careful underwriting policy and the prudent management of investments. It is possible that the financial performance over the year as a whole will turn out to be in line with the trend recorded in the first half of the year.

It should be mentioned that the Group's income statement and statement of financial position at the end of the year may be affected by the amendments to IAS 39. In fact in July the IASB, the international body that draws up the IFRS accounting standards, published an exposure Draft (ED/2009/7) relating to IAS 39, the consultation process for which is expected to be completed by September, providing for the option of adopting the new accounting standard for the 2009 accounts. In summary, the main changes proposed are:

- the abolition of the categories of financial asset currently provided for in IAS 39;
- only two valuation categories for financial assets and liabilities: written-down cost and fair value;
- the fair value category is subdivided into two subcategories: fair value through profit or loss and fair value through equity. In the latter subcategory, any capital gains or losses on the disposal of equity instruments and dividends received must be recorded in the shareholders'

equity direct, with a mention in the section of the comprehensive profit and loss account that includes other profit and loss account items (OCI).

If the new accounting standard is approved as currently proposed, with the elimination of the category of Financial assets available for sale, the paragraphs of IAS 39 currently covering the procedures for recording and calculating losses resulting from the reduction in value (impairment) of equity instruments will no longer apply.

The UGF Group is currently evaluating the effects of this on the consolidated accounts and the implications of adopting the new standard in advance for the consolidated accounts for the year ending 31 December 2009.

Bologna, 6 August 2009

The Board of Directors

Condensed Half-Yearly Consolidated Accounts

Consolidated Financial Statements

- Statement of financial position
- Separate income statement and statement of comprehensive income
- Statement of changes in equity
- Cash flow statement

Statement of Financial Position - Assets

Amounts in €m

		30/6/2009	31/12/2008
1	INTANGIBLE ASSETS	1,909.4	1,818.7
1.1	Goodwill	1,853.1	1,767.4
1.2	Other intangible assets	56.3	51.3
2	TANGIBLE ASSETS	579.8	572.5
2.1	Property	529.7	516.8
2.2	Other tangible assets	50.1	55.7
3	TECHNICAL PROVISIONS - REINSURERS' SHARE	494.9	533.6
4	INVESTMENTS	37,270.9	35,422.1
4.1	Investments in property	198.7	223.9
4.2	Shareholdings in subsidiaries, associates and joint ventures	44.1	39.2
4.3	Investments held to maturity	1,825.0	1,813.4
4.4	Loans and receivables	13,981.1	13,711.6
4.5	Financial assets available for sale	13,616.4	11,588.3
4.6	Financial assets recorded at fair value through profit or loss	7,605.7	8,045.7
5	SUNDRY RECEIVABLES	1,442.4	1,662.6
5.1	Receivables arising out of direct insurance operations	860.6	990.3
5.2	Receivables arising out of reinsurance operations	103.1	148.1
5.3	Other receivables	478.7	524.3
6	OTHER ASSETS	1,084.8	1,147.1
6.1	Non-current assets or assets held for sale belonging to a group in the course of being sold	0.3	1.4
6.2	Deferred acquisition costs	34.1	41.1
6.3	Deferred tax assets	611.6	681.8
6.4	Current tax assets	122.8	52.7
6.5	Other assets	316.0	370.1
7	CASH AND CASH EQUIVALENTS	339.5	344.6
	TOTAL ASSETS	43,121.6	41,501.2

Statement of Financial Position - Shareholders' Equity and Liabilities

Amounts in €m

		30/6/2009	31/12/2008
1	SHAREHOLDERS' EQUITY	3,741.1	3,705.5
1.1	pertaining to the Group	3,530.6	3,432.7
1.1.1	Capital	2,391.4	2,391.4
1.1.2	Other equity	0.0	0.0
1.1.3	Capital reserves	1,419.6	1,419.7
1.1.4	Accumulated earnings and other reserves	928.3	833.2
1.1.5	(Own shares)	-0.1	-0.1
1.1.6	Reserve for net exchange rate differences	0.0	0.0
1.1.7	Profits or losses on financial assets available for sale	-1,282.8	-1,325.5
1.1.8	Other profits or losses recorded in the equity direct	17.4	21.3
1.1.9	Profit (loss) for the year pertaining to the Group	56.8	92.6
1.2	pertaining to minority interests	210.5	272.8
1.2.1	Capital and reserves pertaining to minority interests	240.0	326.0
1.2.2	Profits or losses recorded in the equity direct	-36.1	-67.9
1.2.3	Profit (loss) for the year pertaining to minority interests	6.6	14.7
2	AMOUNTS SET ASIDE	89.9	80.8
3	TECHNICAL PROVISIONS	26,840.1	25,298.4
4	FINANCIAL LIABILITIES	11,113.6	10,894.5
4.1	Financial liabilities recorded at fair value through profit or loss	2,265.2	2,377.0
4.2	Other financial liabilities	8,848.3	8,517.5
5	PAYABLES	468.1	411.7
5.1	Payables arising out of direct insurance operations	83.8	82.5
5.2	Payables arising out of reinsurance operations	7.1	21.7
5.3	Other payables	377.2	307.5
6	OTHER LIABILITIES	868.8	1,110.3
6.1	Liabilities held for sale of a group in the course of being sold	0.0	0.0
6.2	Deferred tax liabilities	236.3	296.5
6.3	Current tax liabilities	34.9	94.2
6.4	Other liabilities	597.6	719.6
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	43,121.6	41,501.2

Separate Income Statement

Amounts in €m

		30/6/2009	30/6/2008
1.1	Net earned premiums	4,880.9	3,628.4
1.1.1	*Gross earned premiums*	*4,946.9*	*3,774.5*
1.1.2	*Earned premiums ceded*	*-66.0*	*-146.1*
1.2	Commissions and fees receivable	47.9	55.1
1.3	Income and charges arising out of financial instruments recorded at fair value through profit or loss	177.2	-206.2
1.4	Income arising out of shareholdings in subsidiaries, associates and joint ventures	1.9	28.3
1.5	Income arising out of other financial instruments and investments in property	700.4	742.2
1.5.1	*Interest receivable*	*541.7*	*641.5*
1.5.2	*Other income*	*71.4*	*74.4*
1.5.3	*Profits realised*	*85.4*	*23.7*
1.5.4	*Unrealised profits*	*1.8*	*2.5*
1.6	Other income	65.2	59.2
1	TOTAL INCOME AND PROCEEDS	5,873.4	4,306.8
2.1	Net charges relating to claims	4,789.8	2,921.3
2.1.1	*Amounts paid and changes in technical provisions*	*4,824.3*	*3,023.1*
2.1.2	*Reinsurers' share*	*-34.5*	*-101.8*
2.2	Commissions and fees payable	11.9	19.2
2.3	Charges arising out of shareholdings in subsidiaries, associates and joint ventures	0.1	0.5
2.4	Charges arising out of other financial instruments and investments in property	189.3	263.2
2.4.1	*Interest payable*	*109.9*	*137.7*
2.4.2	*Other charges*	*5.6*	*6.0*
2.4.3	*Losses realised*	*36.9*	*23.0*
2.4.4	*Unrealised losses*	*36.8*	*96.5*
2.5	Operating expenses	681.5	645.7
2.5.1	*Commissions and other acquisition costs*	*432.7*	*422.5*
2.5.2	*Investment management expenses*	*21.6*	*9.9*
2.5.3	*Other administrative expenses*	*227.1*	*213.4*
2.6	Other costs	94.5	93.5
2	TOTAL COSTS AND CHARGES	5,767.1	3,943.3
	PROFIT (LOSS) FOR THE PERIOD BEFORE TAXATION	106.4	363.5
3	Taxation	43.0	113.7
	PROFIT (LOSS) FOR THE PERIOD NET OF TAX	63.4	249.7
4	PROFIT (LOSS) PERTAINING TO DISCONTINUED OPERATIONS	0.0	0.0
	CONSOLIDATED PROFIT (LOSS)	63.4	249.7
	pertaining to the Group	56.8	237.7
	pertaining to minority interests	6.6	12.0

Statement of Comprehensive Income

€m

		30/6/2009	30/6/2008
	CONSOLIDATED PROFIT (LOSS)	63.4	249.7
	Other components of the comprehensive income net of tax effects	69.6	-347.0
	Net change in financial assets available for sale	*74.4*	*-347.0*
	Net change in instruments held for hedging a financial flow and other changes	*-4.8*	*0.0*
	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	133.0	-97.3
	pertaining to the Group	*97.8*	*-144.2*
	pertaining to minority interests	*35.2*	*46.9*

Statement of changes in equity

Amounts in €m

			As at 31/12/2007	Changes to closing balances	Amounts allocated	Transfers to the profit and loss account	Other transfers	As at 30/06/2008
Shareholders' equity pertaining to the Group	Capital		2,391.4					2,391.4
	Other equity							
	Capital reserves		2,235.4				-815.7	1,419.7
	Accumulated earnings and other reserves		630.0		203.6			833.6
	(Own shares)				-0.1			-0.1
	Provision for net exchange rate differences							
	Profits or losses on financial assets available for sale		-679.8		-488.6	106.7		-1,061.7
	Other profits or losses recorded in the equity direct	Profits or losses on instruments held for hedging a financial flow	0.0		0.0			0.1
		Profits or losses on instruments held for hedging a net investment in a foreign account						
		Provisions arising out of changes in the shareholders' equity of the participating interests						
		Provision for write-up of intangible assets						
		Provision for write-up of tangible assets	21.3					21.3
		Income and charges relating to non-current assets or assets held for sale belonging to a group in the course of being sold						
		Other provisions						
	Profit (loss) for the year		389.2		237.7		-389.2	237.7
	Total pertaining to the Group		4,987.6		-47.4	106.7	-1,204.9	3,842.0
Shareholders' equity pertaining to minority interests	Capital and reserves pertaining to minority interests		302.4		8.1			310.5
	Profits or losses recorded in the equity direct		-47.6		5.5	3.5		-38.5
	Profit (loss) for the year		31.9		12.0		-31.9	12.0
	Total pertaining to minority interests		286.7		25.7	3.5	-31.9	284.0
Total			5,274.4		-21.7	110.1	-1,236.8	4,126.0

€m			As at 31/12/2008	Changes to closing balances	Amounts allocated	Transfers to the profit and loss account	Other transfers	As at 30/06/2009
Shareholders' equity pertaining to the Group	Capital		2,391.4					2,391.4
	Other equity							
	Capital reserves		1,419.7		-0.1			1,419.6
	Accumulated earnings and other reserves		833.2		95.1			928.3
	(Own shares)		-0.1					-0.1
	Provision for net exchange rate differences							
	Profits or losses on financial assets available for sale		-1,325.5		36.2	6.4		-1,282.8
	Other profits or losses recorded in the equity direct	Profits or losses on instruments held for hedging a financial flow	0.0		-4.0			-4.0
		Profits or losses on instruments held for hedging a net investment in a foreign account						
		Provisions arising out of changes in the shareholders' equity of the participating interests						
		Provision for write-up of intangible assets						
		Provision for write-up of tangible assets	21.3		0.1			21.5
		Income and charges relating to non-current assets or assets held for sale belonging to a group in the course of being sold						
		Other provisions						
	Profit (loss) for the year		92.6		56.8		-92.6	56.8
	Total pertaining to the Group		3,432.7		184.1	6.4	-92.6	3,530.6
Shareholders' equity pertaining to minority interests	Capital and reserves pertaining to minority interests		326.0		-86.0			240.0
	Profits or losses recorded in the equity direct		-67.9		25.3	6.5		-36.1
	Profit (loss) for the year		14.7		6.6		-14.7	6.6
	Total pertaining to minority interests		272.8		-54.1	6.5	-14.7	210.5
Total			3,705.5		130.0	12.9	-107.3	3,741.1

Cash flow statement (indirect method)

Amounts in €m

	30/06/2009	30/06/2008
Profit (loss) for the year before taxation	106.4	363
Change in non-monetary items	1,245.4	-1,312.2
Change in provision for Non-Life unearned premiums	-0.7	35.1
Change in provision for outstanding claims and in other Non-Life technical provisions	50.1	10.2
Change in mathematical provisions and in other Life technical provisions	1,531.1	-729.4
Change in deferred acquisition costs	7.0	7.3
Change in amounts set aside	9.1	14.9
Non-monetary income and charges arising out of financial instruments, investments in property and shareholdings	-99.6	-499.4
Other changes	-251.7	-150.9
Change in receivables and payables generated by operations	276.6	313.9
Change in receivables and payables arising out of direct insurance and reinsurance operations	161.3	221.5
Change in other receivables and payables	115.3	92.4
Tax paid	-18.7	-71.3
Net liquid assets generated/absorbed by monetary items pertaining to investment and financial operations	643.1	853.9
Liabilities arising out of financial contracts issued by insurance companies	-223.9	-536.1
Payables to banking customers and interbanking payables	206.8	-574.2
Loans and receivables from banking customers and interbanking loans and receivables	-241.0	673.0
Other financial instruments recorded at fair value through profit or loss	901.1	1,291.2
TOTAL NET LIQUID ASSETS ARISING OUT OF OPERATIONS	2,252.8	147.9
Net liquid assets generated/absorbed by investments in property	13.8	0.0
Net liquid assets generated/absorbed by shareholdings in subsidiaries, associates and joint ventures	-5.0	3.4
Net liquid assets generated/absorbed by corporate financing and receivables	-331.5	227.9
Net liquid assets generated/absorbed by investments held to maturity	-11.6	-107.0
Net liquid assets generated/absorbed by financial assets available for sale	-1,906.3	185.4
Net liquid assets generated/absorbed by tangible and intangible assets	-100.0	-21.2
Other net cash flows generated/absorbed by investment operations	1.1	35.6
TOTAL NET LIQUID ASSETS ARISING OUT OF INVESTMENT OPERATIONS	-2,339.5	324.2
Net liquid assets generated/absorbed by equity instruments pertaining to the Group	0.0	-849.1
Net liquid assets generated/absorbed by own shares	0.0	-0.1
Distribution of dividends pertaining to the Group	0.0	-184.1
Net liquid assets generated/absorbed by capital and reserves pertaining to minority interests	-100.7	17.2
Net liquid assets generated/absorbed by subordinate liabilities and participating financial instruments	-2.8	400.7
Net liquid assets generated/absorbed by sundry financial liabilities	185.2	49.2
TOTAL NET LIQUID ASSETS ARISING OUT OF CORPORATE FINANCING OPERATIONS	81.7	-566.3
Effect of exchange rate differences on cash and cash equivalents		
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	344.6	364.5
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-5.1	-94.2
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	339.5	270.3

Notes to the Accounts

1. GENERAL DRAFTING CRITERIA

These short half-yearly consolidated accounts of Unipol Gruppo Finanziario are drawn up in accordance with IAS 34 and the provisions of Article 154-*ter* of Legislative Decree 58/1998 (TUF) and ISVAP Ruling 7 of 13 July 2007.
They do not include all the information required for the annual accounts and must be read in conjunction with the Consolidated Accounts as at 31 December 2008.
The layout (statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and other tables) conforms to the provisions of ISVAP Ruling 7 of 13 July 2007, as amended by the changes made to IAS 1, which came into effect as from 2009.
With the exception of the contents of the section 'New accounting standards' below, the accounting standards used, the recording and calculation criteria and the basis of consolidation applied when drawing up the short half-yearly consolidated accounts comply with those adopted for the consolidated accounts as at 31 December 2008 to which you are referred and which are deemed to be an integral part of these notes. IAS 34 – Interim Accounts has been applied and the information requested in CONSOB Communication DEM/6064293 of 28 July 2006 has been provided.

As the short consolidated half-yearly accounts form part of an interim report more use has had to be made of valuations, estimates and assumptions and these affect how the accounting standards are applied and the figures for the assets, liabilities, income and expenditure recorded in the accounts. However, it should be noted that as these are estimates the results obtained will not necessarily be the same as those shown here. These estimates and assumptions are regularly reviewed. Any variations revealed as a result of reviewing the estimates are recorded during the period in which the review is carried out and in relevant subsequent periods.

The unit of account used is the Euro and amounts are expressed in €m except where specifically indicated.

New accounting standards
The new version of IAS 1 – Presentation of accounts – came into effect on 1 January 2009. The new version of the standard requires that all the variations generated by transactions with members be shown in a statement of variations in capital and reserves. However, all transactions generated with third parties (comprehensive income) must be set out in a single table of comprehensive income or in two separate tables (income statement and statement of comprehensive income).
The Group uses the latter method to represent comprehensive income. Therefore the Group has for the first time provided a separate statement of the consolidated comprehensive income, which includes the components that make up the result for the period and the charges and income recorded direct as shareholders' equity for operations other than those carried out with members. Transactions carried out with members, together with those relating to the comprehensive net result, are shown in the table of movements of shareholders' equity.
The retrospective adoption of this principle as from 1 January 2009 has no effect on the value of the items in the accounts.

IFRS 8 Operational Sectors replaced IAS 14 Business Report on 1 January 2009. The new accounting principle requires the company to base the information provided in its business report on the data used for taking operational decisions at the highest level and therefore it requires the operational areas of the business to be identified on the basis of the internal reporting procedure that is regularly reviewed at the highest decision-making level for the purposes of allocating resources to the various areas of business and analysing performance. Adopting this principle

required no extra work in evaluating the items in the accounts nor relating to the presentation of the business report.

It should also be pointed out that under the new accounting standards the publication of the new ED/2009/07 relating to several proposed amendments to IAS 39 covering the classification and valuation of financial instruments is of particular importance for the Group. For a comment on the main contents of these proposed amendments to the accounting standards concerned you are referred to 'Significant Events after 30 June 2009 and Business Outlook' in the interim management report.

Basis of consolidation

The Group's short consolidated accounts as at 30 June 2009 have been drawn up by combining the figures for the Parent Company UGF and those for all the subsidiaries, both direct and indirect (IAS 27): Subsidiaries deemed to be too small to be of relevance are excluded.
Under IAS 31 there are no joint shareholdings consolidated using the proportional method.
Associates, in which holdings range between 20% and 50%, and subsidiaries considered not to be significant, are valued using the net equity method (IAS 28).

Shareholdings consolidated on a line-by-line basis and shareholdings valued using the equity method are listed in the tables showing the Basis of consolidation and Details of unconsolidated shareholdings respectively, which are appended to these Notes to the Accounts.

Changes in the basis of consolidation compared with 31 December 2008

No operations carried out during the first half of 2009 involved changes in the basis of consolidation.
Other operations carried out during the period, which did not affect the basis of consolidation, were as follows:

- On 29 May 2009 the subsidiary UGF Assicurazioni acquired 108,842,805 UGF Banca shares or 15.47% of the share capital, bringing the total held to 32.26%. As a result of this operation Unipol Gruppo Finanziario now holds 100% of UGF Banca's share capital, 67.74% direct and the remaining 32.26% through the subsidiary UGF Assicurazioni. The price paid, fixed during the previous year on the basis of a fairness opinion, was €212.8m.

- The holding company UGF made payments for a capital increase to the following subsidiaries:
  - €35m to Navale Assicurazioni;
  - €30.6m to BNL Vita;

- UGF Assicurazioni paid €10.4m to the subsidiary Midi SpA as a result of the call for arrears to make up the capital increase resolved by the company on 18 July 2001.

Business report

The layout of the business report is based on the major types of business in which the Group operates:
- Non-Life Insurance Business
- Life Assurance Business
- Banking Business
- Holding Company Business and Services and other activities.

No business report based on geographical areas has been produced since the Group operates mainly on a national level and there appears to be no significant difference in the risks and benefits, according to the type of business activity carried out, that can be correlated with the economic situation in the individual regions.

2. NOTES ON THE STATEMENT OF FINANCIAL POSITION

Comments and further information on the items on the statement of financial position and the variations that took place compared with the previous year are given below. (The numbering of the notes relates to the numbering used on the statement of financial position).

ASSETS

1. Intangible assets

1.1 Goodwill

€1,433.4m of this item, which amounted to €1,853.1m (€1,767.4m as at 31/12/2008), related to goodwill recorded as a result of business acquisitions, in particular:

- €1,230.6m in the case of UGF Assicurazioni, unchanged since the previous year;
- €126.2m in the case of UGF Banca, an increase compared with the previous year of €85.8m for the premium paid for the acquisition of 15.47% by the subsidiary UGF Assicurazioni;
- €17.1m in the case of Linear insurance company, unchanged since the previous year;
- €3.9m in the case of Unisalute, unchanged since the previous year;
- €47.4 in the case of Bnl Vita, unchanged since the previous year;
- €8m in the case of Navale Assicurazioni, unchanged since the previous year.

Also included was:

- goodwill of €418.9m generated by the acquisition of banking outlets, which was unchanged compared with 31 December 2008;
- €0.7m of other goodwill with a specific useful life (Life portfolios).

On the basis of the results for the first half of 2009 there was nothing to indicate the possibility that this goodwill could have fallen in value ('trigger event') therefore it was not thought necessary to repeat the impairment test as at 30 June 2009.

1.2 Other intangible assets

This item, totalling €56.3m (€51.3m as at 31/12/2008), was made up of expenses for renovating rental property and costs incurred when purchasing software and licences.

2. Tangible assets

As at 30 June 2009 tangible assets, net of depreciation, amounted to €579.8m (€572.5m as at 31/12/2008), €529.7m of which was property for own use (€516.8m as at 31/12/2008) and €50.1m was other tangible assets (€55.7m as at 31/12/2008).

3. Technical provisions – Reinsurers' share

The balance of the items amounts to €494.9m (€533.6m as at 31/12/2008). Details are set out in the relevant appendix.

4. Investments

As at 30 June 2009 total investments (property, shareholdings and financial investments) amounted to €37,270.9m (€35,422.1m as at 31/12/2008).

4.1 Investments in property

Investments in property as at 30 June 2009 amounted to €198.7m (€223.9m as at 31/12/2008). The decrease was due to changes in use of property and to the sale of several properties.

4.2 Holdings in subsidiaries, associates and joint ventures

As at 30 June 2009 shareholdings in subsidiary companies, associates and joint ventures amounted to €44.1m (€39.2m as at 31/12/2008). Most of the variation since the previous year was due to the increase in UGF Banca Group's holdings in associates.

Financial assets (items 4.3, 4.4, 4.5 and 4.6)

As at 30 June 2009 financial assets amounted to €37,028.2m (€35,159m as at 31/12/2008). The relevant details subdivided according to classification and type of investment are recorded in the appendix Details of Financial Assets.

4.3 Investments held to maturity

This category mainly consists of fixed-yield bonds acquired to cover Life special tariffs, which the Group can and intends to hold to maturity. As at 30 June 2009 these amounted to €1,825m (€1,813.4m as at 31/12/2008).
The fair value of Investments held to maturity as at 30 June 2009 amounted to €1,827.2m.
Investments held to maturity accounted for 4.9% of the Investments item.

4.4 Loans and receivables

These amounted to €13,981.1m (€13,711.6m as at 31/12/2008) and were subdivided as follows:

Loans and receivables *Amounts in €m*	30/06/2009	*comp. %*	31/12/2008	*comp. %*	*var. %*
Debt securities	4,281.4	*30.6*	4,151.3	*30.3*	*3.1*
Loans and receivables from banking customers	9,233.5	*66.0*	9,009.1	*65.7*	*2.5*
Interbanking loans and receivables	261.4	*1.9*	275.0	*2.0*	*-5.0*
Deposits with ceding companies	20.9	*0.1*	21.2	*0.2*	*-1.5*
Other loans and receivables	183.9	*1.3*	254.9	*1.9*	*-27.9*
Total loans and receivables	13,981.1	*100.0*	13,711.6	*100.0*	*2.0*

The fair value of Loans and receivables as at 30 June 2009 was €13,654.3m.

This category of financial asset includes €4,281.4m of debt securities not listed on active markets (€4,151.3m as at 31/12/2008). The increase was mainly due to more securities being transferred from Assets recorded at fair value through profit or loss on 9 January 2009. Several securities in this category were also repaid.

Other loans and receivables included loans and credit facilities granted to employees and other bodies, credit facilities on Life policies, receivables from agents for portfolio recoupments, loan repo contracts and term deposits exceeding 15 days.

Loans and receivables accounted for 37.5% of the Investments item.

4.5 Financial assets available for sale

Financial assets available for sale amounted to €13,616.4m as at 30 June 2009 (€11,588.3m as at 31/12/2008) and were made up as follows:

Financial assets available for sale *Amounts in €m*	30/6/2009	*comp. %*	31/12/2008	*comp. %*	*var. %*
Equity securities valued at cost	45.8	*0.3*	220.4	*1.9*	*-79.2*
Listed equity securities recorded at fair value	1,268.2	*9.3*	1,340.7	*11.6*	*-5.4*
Unlisted equity securities recorded at fair value	0.8	*0.0*	25.0	*0.2*	*-96.6*
Debt securities	12,142.0	*89.2*	9,869.5	*85.2*	*23.0*
Units in UCITS	159.5	*1.2*	132.7	*1.1*	*20.2*
Total assets available for sale	13,616.4	*100.0*	11,588.3	*100.0*	*17.5*

The increase was due both to the rise in value of the securities because of the upturn in the financial markets and to securities acquired during the period being classified in this category. No securities were reclassified as Financial assets available for sale nor transferred from that category in the first half of 2009.

Financial assets available for sale accounted for 36.5% of the Investments item.

4.6 Financial assets recorded at fair value through profit or loss

These amounted to €7,605.7m as at 30 June 2009 (€8,045.7m as at 31/12/2008). €252.1m of them were assets held for trading (€868.7m as at 31/12/2008) and €7,353.6m were assets designated by the Group to be recorded at fair value (€7,177m as at 31/12/2008). This second category included financial assets matching insurance or investment policies issued by the Group where the investment risk is borne by the policyholders and arising from pension fund management.

Financial assets recorded at fair value through profit or loss *Amounts in €m*	30/6/2009	*comp. %*	31/12/2008	*comp. %*	*var. %*
	(a)		(b)		(a/b)
Financial assets held for trading					
Listed equity securities recorded at fair value	0.2	*0.1*	0.0	*0.0*	*494.1*
Unlisted equity securities recorded at fair value	0.0	*0.0*	0.0	*0.0*	*1575.1*
Debt securities	194.5	*77.1*	711.6	*81.9*	*-72.7*
Units in UCITS	45.8	*18.2*	46.0	*5.3*	*-0.3*
Derivatives	11.7	*4.6*	111.1	*12.8*	*-89.5*
Total	252.1	*100.0*	868.7	*100.0*	*-71.0*
Financial assets recorded at fair value through profit or loss					
Listed equity securities recorded at fair value	19.8	*0.3*	15.4	*0.2*	*28.3*
Debt securities	5,777.7	*78.6*	5,514.8	*76.8*	*4.8*
Units in UCITS	1,429.5	*19.4*	1,536.3	*21.4*	*-7.0*
Derivatives	58.6	*0.8*	80.5	*1.1*	*-27.3*
Other financial assets	68.1	*0.9*	30.0	*0.4*	*127.2*
Total	7,353.6	*100.0*	7,177.0	*100.0*	*2.5*
Total financial assets recorded at fair value	7,605.7		8,045.7		*-5.5*

€272.7m of assets were reclassified as Loans and receivables during the half year. The securities were reclassified with effect from the date of transfer. The effects are shown in the table below.

Financial assets recorded at fair value through profit or loss accounted for 20.4% of the Investments item.

Information on reclassified financial assets (IFRS 7 para. 12-12A)

The effects on the statement of financial position and the income statement of the reclassification carried out in accordance with IFRS 7 para. 12 – 12A are shown below, in particular:

- amounts transferred;
- book values as at 30 June 2009;
- fair value as at 30 June 2009;
- what the effects on the income statement would have been if no reclassification had been carried out;
- what the effects on the AFS provision (Group and minority interests) would have been if no reclassification had been carried out.

Amounts in €m									
From	To	amounts reclassified net of repayments	book value as at 30/6/09	fair value as at 30/6/09	financial effects of previous years	effects on profit and loss account for 2009(*)	effects on the AFS provision (**)	Total effects on shareholders' equity	date effect reclassified
FV/P&L assets	Loans and receivables	557.0	570.5	541.0	(36.9)	54.5		17.6	01/07/2008
FV/P&L assets	Loans and receivables	272.7	274.2	260.9		(13.3)		(13.3)	09/01/2009
FV/P&L assets	AFS assets	10.7	9.1	8.8	(1.7)	(0.2)	1.9	-	01/07/2008
AFS assets	Loans and receivables	1,797.2	1,827.3	1,784.4	10.5	8.4	(12.8)	6.1	01/07/2008
Total securities transferred		2,637.5	2,681.1	2,595.1	(28.1)	49.4	(10.9)	10.4	

(*) the FV inventory losses including the effects of the written-down cost accrued during the period and, for those transferred from AFS, the breakdown of the AFS provision.

(**) the effect on the AFS provision and the pro-rata effect on the Group net of tax would have been €7.4m

5. Sundry receivables

Sundry receivables totalled €1,442.4m (€1,662.6m as at 31/12/2008) and were made up as follows:

Sundry receivables *Amounts in €m*	30/6/2009	*comp. %*	31/12/2008	*comp. %*	*var. %*
Receivables arising out of direct insurance operations	860.6	*59.7*	990.3	*59.6*	*-13.1*
Receivables arising out of reinsurance operations	103.1	*7.1*	148.1	*8.9*	*-30.4*
Other receivables	478.7	*33.2*	524.3	*31.5*	*-8.7*
Total sundry receivables	1,442.4	*100.0*	1,662.6	*100.0*	*-13.2*

Other receivables consisted of €73m in residual receivables from the Inland Revenue for the amounts paid for substitute tax on mathematical provisions, as provided for by Legislative Decree 209 of 25 September 2002 (€139.6m as at 31/12/2008), €50.3m of other receivables from the Inland Revenue (€65.6m as at 31/12/2008) and miscellaneous receivables amounting to €355.4m.

6. Other assets

This item is broken down as follows:

Other assets *Amounts in €m*	30/6/2009	*comp. %*	31/12/2008	*comp. %*	*var. %*
Non-current assets held for sale	0.3	*0.0*	1.4	*0.1*	*-76.7*
Deferred acquisition costs	34.1	*3.1*	41.1	*3.6*	*-17.0*
Deferred tax assets	611.6	*56.4*	681.8	*59.4*	*-10.3*
Current tax assets	122.8	*11.3*	52.7	*4.6*	*133.0*
Other assets	316.0	*29.1*	370.1	*32.3*	*-14.6*
Total other assets	1,084.8	*100.0*	1,147.1	*100.0*	*-5.4*

Non-current assets held for trading amounted to €0.3m (€1.4m as at 31/12/2008) and related to property available for sale.

€18.2m of deferred acquisition costs related to Non-Life business (€20.9m as at 31/12/2008) and €15.9m to Life business (€20.2m as at 31/12/2008).
Other assets included €14m of deferred fees payable, €16.7m of prepayments and accrued income and €285.3m of sundry assets, €100.7m of which related to amounts to be recouped for direct indemnity claims and other assets relating to Non-Life claims.

7. Cash and cash equivalents

At the end of the year this item amounted to €339.5m (€344.6 compared with 31/12/2008).

LIABILITIES

1. Shareholders' Equity

1.1 Shareholders' equity pertaining to the Group

The shareholders' equity, excluding the amounts pertaining to minority interests, is divided up as follows:

Shareholders' equity pertaining to the Group *Amounts in €m*			
	30/6/2009	31/12/2008	*var.*
	(a)	(b)	(a-b)
Share capital	2,391.4	2,391.4	*0.0*
Other instruments	0.0	0.0	*0.0*
Equity reserves	1,419.6	1,419.7	*-0.1*
Accumulated earnings and other reserves	928.3	833.2	*95.1*
(Own shares)	-0.1	-0.1	*0.0*
Profits/losses on financial assets available for sale	-1,282.8	-1,325.5	*42.6*
Other profits and losses recorded in the equity direct	17.4	21.3	*-3.9*
Profit (loss) for the year	56.8	92.6	*-35.8*
Total shareholders' equity pertaining to the Group	3,530.6	3,432.7	*97.9*

As at 30 June 2009 the fully paid up share capital of the Parent Company Unipol Gruppo Finanziario amounted to €2,391.4m and was made up of 1,479,885,786 ordinary shares and 911,540,314 preference shares.

Movements recorded during the year compared with the previous year are set out in the attached statement of variations in capital and reserves. The increase in the provision for profits and losses on financial assets available for sale was due to the upturn in the financial markets.
The application of Group policy revealed no new cases of impairment on share securities apart from those already revealed by the test carried out on 31 December 2008.

Accumulated earnings and other compulsory reserves include the differences arising out of offsetting the book value of the shareholdings against the corresponding fraction of the shareholders' equity of the consolidated companies, after allocations to these undertakings' assets and to goodwill. This item also includes the consolidation adjustments made in accordance with the Parent Company's accounting standards and as a result of the elimination of dividends within the Group.

Own shares or units
UGF and UGF Assicurazioni held a total of 83,693 UGF ordinary shares as at 30 June 2009.

2. Provisions

Amounts set aside amounted to €89.9m as at 30 June 2009 (€80.8m as at 31/12/2008). The increase was mainly due to amounts set aside for litigation and ISVAP penalties.

3. Technical provisions

These amounted in full to €26,840.1m (€25,298.4m as at 31/12/2008). The breakdown and relative variations are shown in the following table:

Technical provisions *€m*	30/6/2009	*comp. %*	31/12/2008	*comp. %*	*var. %*
Provision for Non-Life unearned premiums	1,567.1	*21.2*	1,568.8	*21.2*	
Provision for Non-Life outstanding claims	5,808.5	*78.4*	5,797.6	*78.4*	
Other Non-Life technical provisions	29.8	*0.4*	24.2	*0.3*	
Total Non-Life provisions	7,405.4	*100.0*	7,390.6	*100.0*	*0.2*
Life mathematical provisions	14,396.8	*74.1*	13,072.1	*73.0*	
Provision for Life sums to be paid	109.4	*0.6*	103.1	*0.6*	
Technical provisions where the investment risk is borne by policyholders and arising out of pension fund management	5,293.2	*27.2*	5,099.7	*28.5*	
Other Life technical provisions	-364.6	*-1.9*	-367.0	*-2.0*	
Total Life provisions	19,434.7	*100.0*	17,907.8	*100.0*	*8.5*
Total technical provisions	26,840.1		25,298.4		*6.1*

4. Financial liabilities

The financial liabilities amounted to €11,113.6m (€10,894.5m as at 31/12/2008). Details are set out in the relevant appendix.

4.1 Financial liabilities recorded at fair value through profit or loss

This item is subdivided into €157.9m of financial liabilities arising from trading (€222.3m as at 31/12/2008) and €2,107.3m of financial liabilities to be recorded at fair value through profit or loss (€2,154.7m as at 31/12/2008). The latter category included investment policies issued by insurance companies where the investment risk was borne by the policyholders and the insurance risk borne by the Group did not exceed 10% (several types of Class III and Class VI policy).

4.2 Other financial liabilities

Details are set out in the table below:

Other financial liabilities *Amounts in €m*	30/6/2009	*comp. %*	31/12/2008	*comp. %*	*var.%*
Subordinate liabilities	1,275.2	*14.4*	1,278.0	*15.0*	*-0.2*
Liabilities arising from financial contracts issued by insurance companies	78.3	*0.9*	136.7	*1.6*	*-42.7*
Deposits received from reinsurers	186.7	*2.1*	190.4	*2.2*	*-1.9*
Debt securities issued	841.6	*9.5*	652.8	*7.7*	*28.9*
Payables to banking customers	6,004.7	*67.9*	5,565.5	*65.3*	*7.9*
Interbanking payables	461.7	*5.2*	694.2	*8.1*	*-33.5*
Total other financial liabilities	8,848.3	*100.0*	8,517.5	*100.0*	*3.9*

The following subordinated debenture loans issued by the companies in the Group in existence as at 30 June 2009 amounted to €1,275.2m (€1,278m as at 31/12/2008) and are as follows (nominal value in €m):

- UGF 600
- Unipol Banca 280
- UGF Assicurazioni 400

In relation to both the subordinated bonded loans issued by the Parent Company they have a nominal value of €300m and a twenty-year maturity and are listed on the Luxembourg Stock Exchange. The level of subordination is comparable to Tier II (supplementary capital, made up of second-rank capital items).
The first loan, issued in May 2001, has a fixed rate of interest of 7% until the exercise date of the early repayment clause (after the tenth year) and a variable rate thereafter. The second, issued in 2003, has a fixed annual interest rate of 5.66% for the first ten years and a variable rate thereafter.

The unlisted subordinated bonded loans issued by UGF Banca amounted to €280m, of which €268m are in circulation and have the following expiry dates:

Nominal Value in circulation	Expiry year
35 million	2010
25 million	2011
50 million	2015
158 million	2017

The level of subordination is comparable to Tier II.

The features of the two hybrid loans issued by UGF Assicurazioni in 2008 for a nominal amount of €400m enabled them to be calculated at 50% of the solvency margin for ISVAP purposes. They are perpetual but subject to the authorisation of the Supervisory Authority may be repaid after 10 years and pay a variable half-yearly coupon.

Liabilities arising from financial policies issued by insurance companies fell from €136.7m to €78.3m as at 30 June 2009. These are investment policies issued by insurance companies where the insurance risk borne by the Group does not exceed 10% (policies matched by specific assets). The decrease is due to matured and surrendered policies.
Deposits received from reinsurers fell from €190.4m to €186.7m as at 30 June 2009, a decrease of €3.7m.
Debt securities issued amounted to €841.6m (€652.8m as at 31/12/2008) and consisted exclusively of securities issued by the UGF Banca Group.
They included €77m of liabilities for bonds (€76.7m as at 31/12/2008), the value of which is shown net of variations in fair value recorded as a result of interest rate swaps to cover the rate risk. The negative effect of the variation in fair value of the derivative amounted to €0.9m and was offset by a positive effect of €0.7m on the financial liabilities covered.
Payables to banking customers amounted to €6,004.7m (€5,565.5m as at 31/12/2008) and were amounts payable by the UGF Banca Group.
Interbank payables amounted to €461.7m (€694.2m as at 31/12/2008). This item relates to amounts payable by the UGF Banca Group.

Operations to streamline the structure of the sources of finance

The process of streamlining the structure of the UGF Group's sources of finance, already begun in advance in the Consolidated accounts for 2008, included the following operations:

- On 7 May 2009 an application was submitted to ISVAP for authorisation to classify the subordinate bonded loan known as 'UGF 7% fixed/floating callable' expiry date 2021, issued in 2001 with a nominal value of €300m, as one of the elements that make up the available solvency margin of the subsidiary UGF Assicurazioni. Obtaining this authorisation would

enable UGF Assicurazioni to replace UGF as issuer of the loan by transferring the bondholders' debt, as resolved on 12 February 2009 by UGF's Board of Directors. Apart from strengthening UGF Assicurazioni's equity structure by providing subordinate resources on better terms than those that can be obtained currently with new issues, this operation will make it possible to withdraw the subordinate guarantee UGF Assicurazioni gave to bondholders during 2007 which, following the coming into force of ISVAP Ruling 19 of 14 March 2008, no longer complies with the relevant legislation. At the end of July the Company received the authorisation requested from ISVAP and on 5 August 2009 UGF Assicurazioni took over the role of issuer of the 'UGF 7%' subordinated bonded loan.

- During June 2009 UGF made a voluntary public offer for the entire subordinate bonded loan known as 'UGF 5.66% fixed/floating callable' expiry date 2023, issued in 2003 with a nominal value of €300m. The bid, resolved by UGF's Board of Directors on 4 June 2009 at a price of €87.5 for each €100 of nominal value, was made with the aim of both optimising the structure of the Group's sources of finance, taking account of the fact that they are used to calculate the consolidated solvency margin and of the recent trend in financial markets, which had made it financially sensible to tackle this rationalisation in this way, and of making it possible to adjust UGF's debt instruments to recent developments in insurance legislation, which, inter alia, do not permit insurance companies to provide benefits to their holding companies. In order to ensure that the correct payment could be made, before the acceptance period began UGF deposited a sum corresponding to the maximum expenditure to which the Offer could give rise in a suitable term account. The public offer, which concluded on 9 July 2009, received applications for a nominal value of €38.3m or 12.77% of the total.
- On 1 July 2009 UGF issued a senior bonded loan for €175m, which had been resolved by the Board of Directors on 25 June 2009. The loan, which is not expected to be listed, was issued at par, will be for three years and will earn interest at an annual fixed rate of 5.25%. The issue, which was fully subscribed during June by private placement, was sold through UGF Merchant S.p.A. to qualified investors, including the holding companies Finsoe S.p.A. and Holmo S.p.A. The issue provides cash to fund the strategies of the companies in the UGF Group and the work to rationalise the equity structure of the Group itself.

5. Amounts due

Amounts due totalled €468.1m (€411.7m as at 31/12/2008).

Amounts due arising out of direct insurance operations amounted to €61.9m (€82.5m as at 31/12/2008), €51.4m of it were payables to agents and other intermediaries (€48.1m as at 31/12/2008), €19.4m for amounts due on current account to companies (€20m as at 31/12/2008) and €13m for other amounts due for direct insurance operations (€14.5m as at 31/12/2008).

Amounts due arising out of reinsurance operations totalled €7.1m (€21.7m as at 31/12/2008).

Other payables amounted to €377.2m (€307.5m as at 31/12/2008) and were made up of:

Other payables *Amounts in €m*	30/6/2009	*comp. %*	31/12/2008	*comp. %*	*var. %*
Insurance premium tax charged on policyholders	62.1	*16.5*	81.7	*26.6*	*-24.0*
Sundry tax charges	103.0	*27.3*	32.0	*10.4*	*222.4*
Payables to suppliers	51.9	*13.7*	59.6	*19.4*	*-13.0*
Staff-leaving indemnity fund	56.7	*15.0*	69.7	*22.7*	*-18.6*
Payables to welfare bodies	17.3	*4.6*	16.5	*5.4*	*4.8*
Sundry payables	86.2	*22.9*	48.0	*15.6*	*79.6*
Total other payables	377.2	*100.0*	307.5	*100.0*	*22.7*

6. Other liabilities

This item amounted to €868.8m (€1,110.3m as at 31/12/2008) and was made up of:

Other liabilities *Amounts in €m*	30/6/2009	*comp. %*	31/12/2008	*comp. %*	*var. %*
	(a)		(b)		(a/b)
Current tax liabilities	34.9	*4.0*	94.2	*8.5*	*-63.0*
Deferred tax liabilities	236.3	*27.2*	296.5	*26.7*	*-20.3*
Commissions on premiums currently being collected	0.0	*0.0*	63.7	*5.7*	*-99.9*
Deferred fees receivable	34.2	*3.9*	42.6	*3.8*	*-19.9*
Accrued liabilities	6.6	*0.8*	8.0	*0.7*	*-17.8*
Other liabilities	556.8	*64.1*	605.2	*54.5*	*-8.0*
Total other liabilities	868.8	*100.0*	1,110.3	*100.0*	*-21.8*

Other liabilities included €85.2m set aside for commissions and additional commission to be paid to agents and intermediaries.

3. NOTES ON THE INCOME STATEMENT

Comments and further information on the items in the profit and loss account and the variations that took place compared with the previous year are given below. (The numbering of the notes relates to the numbering used in the profit and loss account.)

INCOME

1.1 Net premium income

As at 30 June 2009 net premium income was €4,880.9m, an increase of 34.5% compared with the previous year, owing to a rise in Life business.
Gross earned premiums amounted to €4,946.9m (+31.1% compared with 30/6/2008).

Net premium income *Amounts in €m*	30/6/2009	30/6/2008	*var.%*
Non-Life business -earned premiums	2,180.6	2,159.0	*1.0*
Non-Life business - written premiums	*2,179.5*	*2,197.9*	*-0.8*
Non-Life business - changes in the provision for unearned premiums	*1.0*	*-38.8*	*-102.6*
Life business - written premiums	2,766.4	1,615.5	*71.2*
Gross earned premiums	4,946.9	3,774.5	*31.1*
Non-Life business - earned premiums ceded	-55.9	-136.4	*-59.0*
Non-Life business - premiums ceded	*-54.3*	*-132.7*	*-59.1*
Non-Life business - changes in the provision - reinsurers' share	*-1.6*	*-3.7*	*-57.6*
Life business - premiums ceded	-10.1	-9.7	*4.1*
Earned premiums ceded	-66.0	-146.1	*-54.8*
Total net premium income	4,880.9	3,628.4	*34.5*

1.2 Commissions and fees receivable

At the end of the year commissions and fees receivable amounted to €47.9m (€55.1m as at 30/6/2008) and were represented by:

- commissions relating to banking business carried out by the banking companies in the Group amounting to €41.3m (€44.2m as at 30/6/2008);
- commissions relating to investment policies issued by Group insurance companies (loadings) amounting to €5.7m (€9.7m as at 30/6/2008);

1.3 Income and charges arising out of financial instruments recorded at fair value through profit or loss

These amounted to €177.2m (-€206.2m as at 30/6/2008) and were made up as follows:

Net income arising out of financial assets recorded at fair value through profit or loss *Amounts in €m*			
	30/6/2009	30/6/2008	*var. amount*
	(a)	(b)	(a-b)
From financial assets held for trading:			
Net interest income	6.9	69.2	*-62.3*
Profits/losses realised	-19.1	35.2	*-54.2*
Unrealised profits/losses	17.4	-130.1	*147.4*
Other income/charges	-11.5	12.5	*-24.0*
Total	-6.3	-13.2	*6.9*
From financial assets recorded at fair value through profit or loss:			
Net interest income	60.0	84.4	*-24.4*
Profits/losses realised	-18.4	-18.2	*-0.2*
Unrealised profits/losses	235.1	-371.4	*606.5*
Other income/charges	30.4	15.3	*15.1*
Total	307.0	-289.9	*597.0*
From financial liabilities held for trading:			
Profits/losses realised	-5.7	0.9	-6.6
Unrealised profits/losses	0.4	1.7	-1.2
Total	-5.3	2.6	-7.9
From financial liabilities recorded at fair value through profit or loss:			
Unrealised profits/losses	-118.2	94.4	-212.6
Total	-118.2	94.4	-212.6
Total net income - item 130	177.2	-206.2	383.4

The increase in net income from financial instruments recorded at fair value through profit or loss is linked to the upturn in the financial markets in the second quarter of the year.

1.4 Income arising out of holdings in subsidiary companies, associates and joint ventures

This item totalled €1.9m (€28.3m as at 30/6/2008 being the capital gain made on the sale of the Quadrifoglio Vita holding).

1.5 Income arising out of other financial instruments and investments in property

These totalled €700.4m (€742.2m as at 30/6/2008) and are made up of:

Income arising out of other financial instruments and investments in property *Amounts in €m*					
	30/6/2009	*comp. %*	30/6/2008	*comp. %*	*var. importo*
	(a)		(b)		(a-b)
Interest:	541.7	*77.3*	641.5	*86.4*	*-99.8*
from investments held to maturity	39.0		44.3		*-5.3*
from loans and receivables	309.6		306.9		*2.7*
from financial assets available for sale	183.7		280.1		*-96.4*
from sundry receivables	1.8		0.4		*1.4*
from cash and cash equivalents	7.5		9.8		*-2.2*
Other income:	71.4	*10.2*	74.4	*10.0*	*-3.0*
from investments in property	8.4		6.6		*1.8*
from financial assets available for sale	62.6		67.9		*-5.3*
from investments held to maturity	0.4		0.0		*0.4*
Profits realised:	85.4	*12.2*	23.7	*3.2*	*61.7*
from investments in property	8.3		0.1		*8.2*
from loans and receivables	17.2		1.2		*16.0*
from financial assets available for sale	59.9		22.5		*37.5*
Unrealised profits and value readjustments:	1.8	*0.3*	2.5	*0.3*	*-0.7*
from financial assets available for sale	1.8		1.3		*0.6*
other	0.0		1.2		*-1.2*
Total	700.4	*100.0*	742.2	*100.0*	*-41.8*

1.6 Other receipts

This item amounted to €65.2m (€59.2m as at 30/6/2008) and was made up of €22.3m of other core income (€29.9m as at 30/6/2008), €7.4m of sums released from provisions (€7.7m as at 30/6/2008), €6.2m of contingent profits (€7.1m as at 30/6/2008) and €29.3m of miscellaneous receipts (€14.2m as at 30/6/2008).

EXPENDITURE

2.1 Net charges relating to claims

These amounted in full to €4,789.8m (€2,921.3m as at 30/6/2008) and were made up as follows:

Net charges relating to claims *Amounts in €m*	30/6/2009	30/6/2008	*var.%*
Sums paid and changes in technical provisions:	4,824.3	3,023.1	*59.6*
Non-Life business - sums paid	1,728.5	1,641.3	
Non-Life business - changes in provision for outstanding claims	11.1	-13.2	
Non-Life business - changes in sums recovered	-36.8	-36.8	
Non-Life business - changes in other technical provisions	5.6	-1.1	
Life business - sums paid	1,581.4	1,991.5	
Life business - changes in sums to be paid	6.3	3.5	
Life business - changes in mathematical provisions	1,244.9	-235.8	
Life business - changes in other technical provisions	-13.3	-163.7	
Changes in provisions where the investment risk is borne by policyholders and arising out of pension fund management	296.6	-162.6	
Reinsurers' share:	-34.5	-101.8	*-66.1*
Non-Life business - sums paid	-55.2	-113.4	
Non-Life business - changes in provision for outstanding claims	25.5	18.9	
Non-Life business - changes in sums recovered	1.5	1.4	
Life business - sums paid	-10.4	-12.2	
Life business - changes in sums to be paid	0.2	0.9	
Life business - changes in mathematical provisions	1.7	3.6	
Life business - changes in other technical provisions	2.2	-1.0	
Total	4,789.8	2,921.3	*64.0*

2.2 Commissions and fees payable

These totalled €11.9m (€19.2m as at 30/6/2008) and are made up of:

- commissions and fees payable relating to business carried out by the banking companies in the Group amounting to €6.2m (€9.1m as at 30/6/2008);
- acquisition costs linked to investment policies issued by the insurance companies in the Group amounting to €5.2m (€7.7m as at 30/6/2008);
- other commissions amounting to €0.6m (€2.3m as at 30/6/2008).

2.3 Charges arising out of holdings in subsidiary companies, associates and joint ventures

This item amounted to €0.1m (€0.5m as at 30/6/2008).

2.4 Charges arising out of other financial instruments and investments in property

These totalled €189.3m (€263.2m as at 30/6/2008) and are made up of:

Charges arising out of other financial instruments and investments in property *Amounts in €m*					
	30/6/2009	*comp. %*	30/6/2008	*comp. %*	*var. %*
Interest:	109.9	*58.1*	137.7	*52.3*	*-20.2*
from other financial liabilities	109.6		135.3		
from payables	0.3		2.4		
Other charges:	5.6	*3.0*	6.0	*2.3*	*-6.0*
from investments in property	2.0		1.1		
from financial assets available for sale	3.2		4.4		
from other financial liabilities	0.4		0.4		
Losses realised:	36.9	*19.5*	23.0	*8.7*	*60.5*
from investments held to maturity	0.0		0.3		
from loans and receivables	12.7		0.0		
from financial assets available for sale	24.2		22.7		
Unrealised losses and value impairment:	36.8	*19.5*	96.5	*36.7*	*-61.8*
from investments in property	0.0		0.6		
from loans and receivables	30.3		82.6		
from financial assets available for sale	6.5		13.3		
from other financial liabilities	0.0		0.0		
Total	189.3	*100.0*	263.2	*100.0*	*-28.1*

There were no further write-downs during the half year on the Lehman Brothers securities in the portfolio.
Total losses of €14.4m were recorded on the bonds of the American car manufacturer General Motors as a result of its collapse, €13.7m because of disposals and €0.7m because of write-downs at the end of period based on an expected recovery rate of 25% of the nominal value.

Loan inventory losses related to banking business, where analysis of the loan portfolio as at 30 June 2009 led to a net figure of €30.3m being set aside for deterioration of receivables from banking clients (€82.6m as at 30/6/2008).

Inventory losses on financial assets available for sale of €6.5m related to share securities already subjected to impairment as at 31 December 2008, on which there was a further loss of €2.4m as at 30 June 2009, of €0.7m when the General Motors bonds were written down and of €3.4m for exchange rate losses.

Following the impairment test carried out on the Group's share portfolio, classified as Assets available for sale, there were no new cases of securities that showed losses of value to be transferred to the profit and loss account after 31 December 2008.

Below we report in detail on the outcome of the test carried out as at 30 June 2009 in accordance with the Group's impairment policy.
The share portfolio classified as Group assets available for sale was made up of 110 share securities which showed a total fall in value of €1,105m as at 30 June 2009.
Share securities for which at least one of the following two conditions applied were selected:

a) the market price had remained below the initial subscription value for the previous 36 months;
b) a fall in value of more than 20% of the initial subscription value on the reference date.

Eighty-four share securities fulfilled the second condition, and for 3 of these the market price had remained below the initial subscription value for the previous 36 months (first condition). Two of these 84 securities had already been subjected to impairment testing as at 31 December 2008, therefore the relative fall in value of €2.2m was recorded in the profit and loss account direct.

In-house valuation of the remaining 82 securities, the performance of eight of which was at least ten percentage points below that of the sector as a whole, revealed no indication of impairment.
Two other securities, which had not fallen in value by more than 20% as at 30 June 2009 but had already been subjected to impairment testing as at 31 December 2008, knocked a further €0.2m off the profit and loss account.
Of the other securities already subjected to impairment testing as at 31 December 2008, 5 were no longer in the portfolio because they had been sold during the first half of 2009 and value readjustments for another 10 were recorded in the Provision for profits or losses on financial assets available for sale.

2.5 Operating expenses

These totalled €681.5m (€645.7m as at 30/6/2008).
Operating expenses in the insurance sector amounted to €535.6m (€522.7m as at 30/6/2008) and were made up of:

Operating expenses
Amounts in €m

	DANNI		var.	VITA		var.	TOTALE		var.
	30/6/2009	30/6/2008	%	30/6/2009	30/6/2008	%	30/6/2009	30/6/2008	%
Acquisition commission	281.1	256.5	9.57	16.1	16.1	-0.2	297.2	272.6	9.0
Other acquisition costs	67.1	100.6	-33.29	19.2	15.9	20.7	86.3	116.5	-25.9
Changes in deferred acquisition costs	5.1	5.7	-10.61	1.6	1.5	5.7	6.7	7.2	-7.2
Renewal commissions	54.9	55.7	-1.46	0.0	4.8	-99.2	55.0	60.5	-9.2
Reinsurance commissions and profit sharing	-8.7	-32.1	-72.87	-3.7	-1.8	108.5	-12.4	-33.9	-63.3
Investment management expenses	15.4	4.4	251.52	6.4	5.9	8.2	21.8	10.3	111.5
Other administrative expenses	63.8	70.2	-9.13	17.3	19.2	-9.8	81.1	89.4	-9.3
Total	478.7	461.0	3.82	56.9	61.7	-7.7	535.6	522.7	2.5

Operating expenses relating to banking business amounted to €127.3m (€115.7m as at 30/6/2008).

2.6 Other costs

These totalled €94.5m (€93.5m as at 30/6/2008) and are made up of:

Other costs
Amounts in €m

	30/6/2009	comp. %	30/6/2008	comp. %	var. %
Other technical charges	41.7	44.1	38.1	40.8	9.3
Losses on loans	0.2	0.2	2.9	3.1	-93.5
Other costs	52.6	55.7	52.5	56.2	0.2
Total	94.5	100.0	93.5	100.0	1.0

Other costs included €12.9m set aside for provisions (€13m as at 30/6/2008).

3. Corporation tax

The consolidated tax rate rose from 31.3% as at 30 June 2008 to 40.4% as at 30 June 2009, owing to a fall in non-taxable income or in income subject to reduced taxation.

4. OTHER INFORMATION

4.1 Risk report

The purpose of Unipol Gruppo Finanziario's Risk report is to provide information to enable the Group's financial position to be assessed for the purpose of risk management following the logic of Solvency II.

The areas of risk dealt with in the Risk report are as follows:

	Entities			
Type of risk	UGF	Insurance companies	Bank	Asset management co.
Insurance business		√		
Financial	√	√	√	
Credit	√	√	√	
Operational	√	√	√	√
Other risks	√	√	√	√

For information on the internal auditing system, risk governance, organisational monitoring (risk committees), the risk management system and capital allocation policies you are referred to paragraph 5.2 of the Notes to the 2008 Consolidated Accounts.

In relation to the financial risks as at 30 June 2009, the level of sensitivity of the UGF Group's portfolios of financial assets to market risk factors is shown below. The sensitivity is calculated as a variation in the market value of the assets following a:
- simultaneous variation in the interest rate curve of +10 bps;
- variation of -20% in share prices;
- variation of +10 bps in the credit spread;
- variation of -10% in real estate prices.
-

SENSITIVITY TO MARKET RISKS PORTFOLIO OF FINANCIAL ASSETS

Figures in €m

Figures as at 30 June 2009	**TOTAL GROUP**	
RISK FACTORS	*Financial Impact*	*Impact on equity*
Rate of interest risk	- -1.12	-63.01
Share price risk	-18.40	-257.09
Credit spread risk	-1.42	-90.53
Real estate price risk	0.00	-49.14

** The financial impact is based on the negative factor applying to the financial assets*
In the IAS Held for Trading portfolio, whilst the impact on equity is defined as a variation in AFS provision to cope with negative market factors. The impact on shares includes the impact on our shareholdings.

The UGF Group's exposure to the exchange risk is not significant.

For information on the credit risk you are referred to the Banking Group's exposure to several customers mainly operating in the property and construction sectors. In the case of these items the Banking Group also has mortgage liens currently capable of covering the Group's credit risk. However, in view of the state of the market in these sectors the Group also began to monitor the credit risk of this exposure more closely by 'actively managing' agreements and continuously monitoring the value of the guarantees.

On 3 July 2009 UGF Banca was issued with four summonses relating to operating in derivatives with customers, together with a claim for damages the grounds for which were substantially the same as those already put forward for the private prosecution brought in November 2007 by the same customers before the Public Prosecutor in Bologna and the preliminary hearings of which concluded in April 2009 with an application for the case to be dismissed, against which the petitioners appealed. It was not deemed necessary to set aside any further amounts for these matters.

4.2 Notes on Life business

Classification of policies

The criteria used for classifying Life products as insurance products, and therefore to be dealt with in the same way as national legislation, have not changed since last year.

Make-up of the insurance portfolio

Most of UGF Assicurazioni's income came from the network of Unipol and Aurora agencies and through the Head Office, whilst BNL Vita (network of BNL branches) operated by means of banking outlets.
It should be mentioned that around 12% of UGF Assicurazioni's Life income was obtained via banking channels, mainly the branches of UGF Banca. The figure was well below that for the first half of 2008 (19%) owing to the termination of the distribution agreement with BPI.

On the basis of this product classification the consolidated direct income as at 30 June 2009 was split as follows:

Consolidated direct Life premium income (*)	UGF Assicurazioni	BNL Vita	Navale vita	Total
Amounts in €m				
Insurance premiums (IFRS4)	1,000	1,763	1	2,763
% var. on 1st half of 2008	*3.7%*	*174.6%*	*67.4%*	*71.4%*
Investment products (IAS39)	9	0	0	9
% var. on 1st half of 2008	*15.6%*	*-15.8%*		*15.5%*
Total Life income	1,009	1,763	1	2,772
% var. on 1st half of 2008	*3.8%*	*174.6%*	*67.4%*	*71.2%*
Breakdown:				
Insurance premiums (IFRS4)	99.1%	100.0%	100.0%	99.7%
Investment products (IAS39)	0.9%	0.0%	0.0%	0.3%
(*) Unlike in 2008, Quadrifoglio's income was taken into account (consolidated at 50%)				

As at 30 June 2009 Group direct Life income was €2,772m (insurance products plus investment products), an increase of 71% compared with the same period of the previous year. Direct income achieved by the composite companies amounted to €1,010m (36% of the consolidated total) whilst the consolidated direct income achieved by the bancassurance channel amounted to €1,763m (64% of the consolidated total).

Insurance premiums amounted to 99.7% of total income, substantially in line with the first half of 2008 (99.5%).

Direct insurance premiums: Types of income		UGF Assicurazioni	BNL Vita	Navale vita	Total
Amounts in €m					
Traditional premiums		792	1,597	1	2,390
Financial premiums		0	165	0	165
Pension funds		207	0	0	208
Insurance premiums (IFRS4)		1,000	1,763	1	2,763
including investment with DPF		*584*	*1,579*	*1*	*2,164*
	in %	*58.5%*	*89.6%*	*100.0%*	*78.3%*

Most premium income was from traditional policies which accounted for approximately 86% of total income, whilst in the first half of 2008 these products had accounted for approximately 60%.
Most of the insurance premiums (€2,164m or 78%) consisted of investment products with DPF. This phenomenon is mainly due to the change in BNL Vita's product mix (this income having accounted for 48% during the first half of 2008).
There have been no major changes in underwriting and risk management policies compared with those recorded in the consolidated accounts for 2008.
The mathematical provisions have been calculated analytically for each individual policy, taking into account all contractual liabilities and the specific provisions issued by the Supervisory Authority in accordance with the criteria recorded in the accounts.
The results of the Liability Adequacy Test confirmed that the technical provisions are adequate to cover the financial benefits offered by the policies.

4.3 Operations with related parties

The Parent Company UGF provides services for the Companies in the Group. Until 31 January 2009 the areas concerned were as follows:

- IT;
- Communications;
- Audit;
- Risk management;
- Claims handling;
- Administrative (bookkeeping, tax, administrative and accounting services);
- Property, purchases and auxiliary services;
- Life and Non-Life marketing and technical;
- Staffing, organisation and training;
- Management planning and control;
- Legal, corporate and compliance.

As a result of the hive-off of the class of business providing auxiliary, related and/or useful services to the Group's insurance companies, as from 1 February 2009 UGF Assicurazioni has provided the following services:

- Staffing, organisation and training;
- Non-Life and Life management control;
- Legal affairs and data protection;
- IT services;
- Development of Non-Life projects and alternative channels;
- Life Business;
- Administrative (bookkeeping, tax, administrative and accounting services);
- Property, purchases and auxiliary services;
- Claims handling;
- Budget and Sales planning;
- Finance

Unipol SGR carried out asset management for the companies in the Group until 31 January 2009 (until 31/3/2009 in the case of BNL Vita), when this work too was entrusted to UGF Assicurazioni.

The Parent Company continued to provide the services that did not affect the competitiveness of the individual operating companies, in particular:

- staffing and organisation (human resources);
- management planning and control;
- legal (legal services, internal audit, risk management and compliance with regulations/legislation);
- communications.

The costs of providing centralised services specifically included the following components:

- staffing costs;
- operating costs (IT, logistics etc.);
- general costs (consultancy, legal costs etc.).

The financial and commercial relations between UGF Banca and the other companies in the Group came under the usual business of a group split into different companies and, as far as banking was concerned, related to deposit or corporate financing services. Agreements were also entered into for the sale and/or management of banking and investment products and/or services and for the provision of auxiliary banking services in general. The financial effects of these relations were normally governed by the market terms applied to major customers.

The relations listed above do not include atypical or unusual operations.

The Parent Company UGF is controlled by Finsoe SpA, which holds 50.75% of the ordinary share capital, and indirectly by Holmo SpA, which holds 80.90% of Finsoe SpA's share capital.
It should also be noted that, in accordance with Article 2497 et seq. of the Civil Code, none of the shareholders of the Parent Company UGF SpA carries out any of its administrative and coordination work.
It should be mentioned that Finsoe SpA, which holds a controlling share in UGF SpA as defined in Article 2359, para. 1, 1, of the Civil Code, does not carry out any of UGF SpA's administrative or coordination work, either technical or financial.

The following table shows operations with related parties (holding, affiliated, associated and other companies) carried out during the first half of 2009, as laid down in IAS 24 and in CONSOB Communication DEM/6064293/2006.
Operations with subsidiaries have not been recorded since in drawing up the consolidated accounts operations within the Group between companies consolidated using the line-by-line method have been eliminated as part of the normal consolidation process.

Information on operations with related parties
Amounts in €m

		Direct controlling co.	Indirect controlling co.	Associates	Other	Total	% incid. (1)	% incid. (2)
4	INVESTMENTS	3.6	0.0	89.1		92.6	0.2	4.1
4.2	Shareholdings in subsidiaries, associates and joint ventures	0.0	0.0	0.1		0.1	0.0	0.0
4.4	Loans and receivables	3.6	0.0	89.0		92.6	0.2	4.1
5	SUNDRY RECEIVABLES	175.2	0.0	25.6		200.7	0.4	8.9
5.1	Receivables deriving from direct insurance operations	0.0	0.0	25.5		25.5	0.1	1.1
5.3	Other receivables	175.2	0.0	0.0		175.2	0.4	7.8
	TOTAL ASSETS	178.7	0.0	114.6	0.0	293.4	0.6	13.0
4	FINANCIAL LIABILITIES	85.9	57.2	15.0		158.1	0.3	7.0
4.2	Other financial liabilities	85.9	57.2	15.0		158.1	0.3	7.0
5	PAYABLES	0.2	0.0	0.1		0.3	0.0	0.0
5.1	Payables deriving from direct insurance operations	0.0	0.0	0.1		0.1	0.0	0.0
5.3	Other payables	0.2	0.0	0.0		0.2	0.0	0.0
	TOTAL LIABILITIES	86.0	57.2	15.1	0.0	158.3	0.3	7.0
1.4	Proceeds from shareholdings in subsidiaries, associates and joint ventures	0.0	0.0	1.0		1.0	1.2	0.0
1.5	Proceeds from other financial instruments and investments in property	0.2	0.1	0.6		0.8	1.0	0.0
1.6	Other income	0.0	0.0	0.0		0.0	0.1	0.0
1	TOTAL INCOME AND PROCEEDS	0.2	0.1	1.5	0.0	1.8	2.3	0.1
2.4	Charges from other financial instruments and investments in property	0.1	0.1	0.1		0.3	0.4	0.0
2.5	Operating expenses	0.0	0.1	32.5		32.6	40.5	1.4
2	TOTAL EXPENSES AND CHARGES	0.1	0.2	32.6	0.0	32.9	40.9	1.5

Incidence based on total equity items on the consolidated balance sheet and based on financial items in the consolidated net result for the period.
(1) Incidence based on total net liquid assets arising out of operations mentioned in the financial statement
'Other' includes associated companies and individuals identified as related parties (directors, auditors, general managers, senior executives with strategic responsibilities and their families).

As mentioned elsewhere in this half-yearly report 15.47% of the share capital of UGF Banca was

acquired by the subsidiary UGF Assicurazioni: 35,104,650 shares, or 4.99%, were purchased by the direct holding company Finsoe SpA and the same number by the indirect holding company Holmo SpA; 38,621,578 shares, or 5.49%, were purchased by Coop Estense Scarl, the chairman of which is a member of UGF SpA's Board of Directors and Chairman and Managing Director of Holmo SpA and Finsoe SpA.

Information relating to directors, auditors, general managers and senior executives with strategic responsibilities does not include remuneration and fees for their appointments and/or activities carried out.

4.4 Non-recurring events and significant operations

As already mentioned in the management report the following non-recurring significant operations were carried out during the first half of 2009:

- On 29 May 2009 UGF Assicurazioni acquired 15.47% of UGF Banca's share capital (108,842,785 shares) for a total of €212.8m and paid for them on the same date. As a result of this acquisition the subsidiary UGF Banca was wholly owned (direct and indirectly) by UGF SpA. As reported previously this operation led to a €85.8m increase in goodwill. The operation, voted on and agreed between the parties last year, was carried out on the date mentioned once the required permits had been obtained from the Supervisory Authority concerned.
- On 23 June 2009 CONSOB approved the Offer Document relating to UGF SpA's voluntary public offer for the entire amount of the 'UGF 5.66% Fixed/Floating Rate Subordinated Callable Notes due 2023 – ISIN XS0173649798' issued on 28 July 2003 with a total nominal value of €300m and currently listed on the regulated market. The acceptance period began on 25 June 2009 and ran until 9 July 2009. Applications for a nominal value of €38,311,000 or 12.77% of the total nominal value of the securities in circulation were received. In addition to the interest accruing between the last coupon payment date of the Bond and (excluding) the settlement date, investors who accepted the Offer were paid €87.5 for each €100 of nominal value held. This was paid out on 16 July 2009.

The market was notified of this operation by means of press releases issued at the appropriate time.

4.5 Items or transactions arising out of atypical and/or unusual operations

It should be noted that there were no atypical and/or unusual operations that, because of their significance or importance, the nature of the counterparties or the procedures for determining the price nor because they occurred close to the end of the year, could give rise to doubts relating to: the accuracy and completeness of the information in this consolidated report, a conflict in interest, the safeguarding of the shareholders' equity or the protection of minority shareholders.

4.6 Hedging operations

As at 30 June 2009 fair value hedging operations and cash flow hedging operations were being carried out.

Fair value hedging

The fair value hedging operations already being carried out last year were operations to hedge variations in fair value of several government debt securities classified as assets available for sale, the aim being to cancel out the variations in fair value of the securities as a result of the variation in the interest rate compared with the market rate at the time the hedging operation was launched.
The financial instruments designated as hedging instruments were Interest Rate Swaps, the fair

value of which had fallen by €74.5m as at 30 June 2009.
The fair value of the bonds hedged had risen by €84.4m as at 30 June 2009. As at 30 June 2009 hedging was producing the desired results since the ratios between the variations in fair value of the hedged derivatives and the variation in fair value linked to the risk of the underlying assets hedged were still within the range 80%-125%. Therefore net income of €9.9m was recorded.

In February 2009 an equity swap on 59,987,000 Banca MPS shares classified as Financial assets available for sale was also set up with the aim of cancelling out the variations in price of the shares hedged. The financial repercussions as at 30 June 2009 were as follows:

- variation in fair value of the Banca MPS shares +€6.6m
- variation in fair value equity swaps -€6.6m.

Cash flows
In May 2009 a €400m a cash flow hedging operation was launched on perpetual hybrid loans with variable half-yearly coupon issued in May 2009 and repayable in 2018.
The aim of this operation was to transform the indexation of the loan from variable to fixed rate, thus stabilising future cash flows.
On 30 June 2009 Shareholders' Equity was affected by a fall of €5.4m in the Provision for profits or losses on hedging instruments (€3.7m net of tax).

4.7 Earnings per share

Earnings per share *Amounts in €m*		
Basic		
	30/6/2009	30/6/2008
Earnings allocated to ordinary shares (in €)	36,297,238	151,600,552
Weighted average of ordinary shares outstanding during the year	1,471,668,379	1,479,696,792
Basic earnings per share (€ per share)	0.02	0.10

The diluted net profit per share is equal to the basic net profit.

4.8 Dividends paid

UGF SpA's Shareholders' Meeting, held on 22 April 2009, did not vote to pay a dividend.

Bologna, 6 August 2009

The Board of Directors

Notes to the Accounts - Annexes

Balance sheet according to type of business

Amounts in €m

		Non-Life business		Life business		Banks		Holding and service business		Intersector eliminations		Total	
		30/6/2009	31/12/2008	30/6/2009	31/12/2008	30/6/2009	31/12/2008	30/6/2009	31/12/2008	30/6/2009	31/12/2008	30/6/2009	31/12/2008
1	INTANGIBLE ASSETS	196.7	181.0	135.8	132.1	457.2	456.4	0.2	15.6	1,119.5	1,033.6	1,909.4	1,818.7
2	TANGIBLE ASSETS	536.4	500.9	0.1	0.1	23.1	26.1	20.7	45.3	-0.5		579.8	572.5
3	TECHNICAL PROVISIONS - REINSURERS' SHARE	366.4	401.0	128.5	132.6				0.0			494.9	533.6
4	INVESTMENTS	6,201.7	6,220.4	22,235.0	19,662.9	9,721.3	9,977.6	4,643.5	4,598.9	-5,530.6	-5,037.6	37,270.9	35,422.1
4.1	Investments in property	200.0	218.1	0.1	2.0					-1.4	3.8	198.7	223.9
4.2	Shareholdings in subsidiaries, associates and joint ventures	436.2	272.4	66.3	16.2	5.9	2.1	4,240.6	4,174.8	-4,704.9	-4,426.4	44.1	39.2
4.3	Investments held to maturity	658.1	652.4	1,387.9	1,161.0					-221.1		1,825.0	1,813.4
4.4	Loans and receivables	1,365.6	1,704.6	3,459.4	2,936.1	9,567.3	9,460.0	192.0	222.0	-603.3	-611.2	13,981.1	13,711.6
4.5	Financial assets available for sale	3,484.5	3,185.9	9,785.9	7,873.0	139.4	332.8	206.6	196.6			13,616.4	11,588.3
4.6	Financial assets recorded at fair value through profit or loss	57.2	187.0	7,535.5	7,674.5	8.8	182.7	4.3	5.4		-3.9	7,605.7	8,045.7
5	SUNDRY RECEIVABLES	1,118.6	1,250.0	226.9	316.9	22.6	18.4	92.2	216.8	-13.1	-139.5	1,447.1	1,662.6
6	OTHER ASSETS	476.1	539.0	338.4	519.0	230.6	192.1	32.2	21.8	2.8	-124.8	1,080.1	1,147.1
6.1	Deferred acquisition costs	15.7	20.9	15.9	17.1					2.5	3.1	34.1	41.1
6.2	Other assets	460.4	518.2	322.5	501.9	230.6	192.1	32.2	21.8	0.3	-127.9	1,046.0	1,106.0
7	CASH AND CASH EQUIVALENTS	518.3	488.3	235.4	1,080.7	90.1	96.4	350.4	417.7	-854.8	-1,738.6	339.5	344.6
	TOTAL ASSETS	9,414.1	9,580.7	23,300.0	21,844.3	10,545.0	10,766.9	5,139.2	5,316.1	-5,276.7	-6,006.8	43,121.6	41,501.2
1	SHAREHOLDERS' EQUITY											3,741.1	3,705.5
2	AMOUNTS SET ASIDE	61.4	57.8	3.4	3.0	17.1	15.9	8.0	4.1			89.9	80.8
3	TECHNICAL PROVISIONS	7,405.4	7,390.6	19,434.7	18,012.2						-104.4	26,840.1	25,298.4
4	FINANCIAL LIABILITIES	335.0	272.9	2,586.3	2,729.8	9,255.2	9,516.1	616.1	617.8	-1,679.1	-2,242.0	11,113.6	10,894.5
4.1	Financial liabilities recorded at fair value through profit or loss	64.3	0.1	2,199.4	2,282.1	0.4	94.0	1.2	0.8			2,265.2	2,377.0
4.2	Other financial liabilties	270.8	272.8	387.0	447.7	9,254.7	9,422.1	615.0	617.0	-1,679.1	-2,242.0	8,848.3	8,517.5
5	PAYABLES	227.1	363.8	79.1	42.6	134.5	64.9	39.5	83.2	-12.2	-142.8	468.1	411.7
6	OTHER LIABILITIES	317.9	456.8	219.6	285.6	291.3	323.4	40.8	176.2	-0.9	-131.8	868.8	1,110.3
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES											43,121.6	41,501.2

Income statement according to type of business

Amounts in €m

		Non-Life business		Life business		Banks		Holding and service business		Intersector eliminations		Total	
		30/6/2009	30/6/2008	30/6/2009	30/6/2008	30/6/2009	30/6/2008	30/6/2009	30/6/2008	30/6/2009	30/6/2008	30/6/2009	30/6/2008
1.1	Net premium income	2,124.7	2,022.6	2,756.2	1,605.8							4,880.9	3,628.4
1.1.1	*Gross earned premiums*	*2,180.6*	*2,159.0*	*2,766.4*	*1,615.5*							*4,946.9*	*3,774.5*
1.1.2	*Earned premiums ceded*	*-55.9*	*-136.4*	*-10.1*	*-9.7*							*-66.0*	*-146.1*
1.2	Fees and commissions receivable	1.3	1.6	6.5	9.7	43.8	50.3			-3.8	-6.5	47.9	55.1
1.3	Income and charges arising out of financial instruments recorded at fair value through profit or loss	-17.6	50.7	194.1	-244.1	3.3	-1.0	-2.5	-11.8			177.2	-206.2
1.4	Income arising out of shareholdings in subsidiaries, associates and joint ventures	1.9	1.6	0.5	56.4	0.0	0.1	14.2	77.9	-14.7	-107.7	1.9	28.3
1.5	Income arising out of other financial instruments and investments in property	143.5	184.9	340.1	306.5	220.4	287.3	19.8	40.2	-23.4	-76.7	700.4	742.2
1.6	Other proceeds	24.0	24.1	31.2	24.0	7.0	7.8	47.1	135.7	-44.2	-132.4	65.2	59.2
	TOTAL INCOME AND PROCEEDS	2,277.7	2,285.4	3,328.7	1,758.3	274.5	344.5	78.6	241.9	-86.1	-323.3	5,873.4	4,306.8
2.1	Net charges relating to claims	1,680.1	1,498.5	3,109.6	1,426.7						-4.0	4,789.8	2,921.3
2.1.1	*Amounts paid and change in technical provisions*	*1,708.3*	*1,591.6*	*3,116.0*	*1,435.5*						*-4.0*	*4,824.3*	*3,023.1*
2.1.2	*Reinsurers' share*	*-28.2*	*-93.1*	*-6.3*	*-8.8*							*-34.5*	*-101.8*
2.2	Fees and commissions payable	1.3	1.6	5.8	8.5	6.1	9.3			-1.2	-0.3	11.9	19.2
2.3	Charges arising out of shareholdings in subsidiaries, associates and joint ventures		0.5	0.0	0.0	0.1	0.0					0.1	0.5
2.4	Charges arising out of other financial instruments and investments in property	15.8	32.5	43.8	23.5	127.1	248.3	23.9	21.9	-21.2	-63.1	189.3	263.2
2.5	Operating expenses	478.7	461.0	56.9	61.7	127.3	115.7	58.9	155.5	-40.3	-148.2	681.5	645.7
2.6	Other costs	41.3	45.3	48.3	35.3	5.7	3.9	7.2	9.1	-7.9		94.5	93.5
2	TOTAL COSTS AND CHARGES	2,217.1	2,039.4	3,264.4	1,555.8	266.3	377.3	90.0	186.5	-70.7	-215.6	5,767.1	3,943.3
	PROFIT (LOSS) FOR THE FINANCIAL YEAR BEFORE TAXATION	60.6	246.1	64.3	202.6	8.3	-32.8	-11.3	55.3	-15.4	-107.7	106.4	363.5

Basis of consolidation

Name	State		Reg. office	Method (1)	Type of business (2)	% direct holding	% indirect holding		% total participating interest (3)	% votes available at Ordinary General Meetings (4)	% consolidation	Share capital
Unipol Gruppo Finanziario S.p.a.	086	Italy	Bologna	G	4						100.00%	2,391,426,100
Compagnia Assicuratrice Linear S.p.a.	086	Italy	Bologna	G	1	100.00%			100.00%		100.00%	19,300,000
Unisalute S.p.a.	086	Italy	Bologna	G	1	98.48%			98.48%		100.00%	17,500,000
Midi S.r.l.	086	Italy	Bologna	G	10		100.00%	UGF Assicurazioni S.p.a.	100.00%		100.00%	72,000,000
Unifimm S.r.l.	086	Italy	Bologna	G	10		100.00%	UGF Assicurazioni S.p.a.	100.00%		100.00%	43,350,000
UGF Banca S.p.a.	086	Italy	Bologna	G	7	67.74%	32.26%	UGF Assicurazioni S.p.a.	100.00%		100.00%	703,500,000
Unipol SGR S.p.a.	086	Italy	Bologna	G	8	100.00%			100.00%		100.00%	5,000,000
UGF Merchant - Banca per le imprese S.p.a.	086	Italy	Bologna	G	7		86.18%	UGF Banca S.p.a.	86.18%		100.00%	105,468,007
Unicard S.p.a.	086	Italy	Milan	G	11		51.00%	UGF Banca S.p.a.	51.00%		100.00%	2,080,000
Unipol Fondi Ltd	040	Ireland	Dublin	G	11		100.00%	UGF Banca S.p.a.	100.00%		100.00%	125,001
Navale Assicurazioni S.p.a.	086	Italy	Milan	G	1	99.83%			99.83%		100.00%	96,250,000
Bnl Vita S.p.a.	086	Italy	Milan	G	1	51.00%			51.00%		100.00%	160,000,000
Smallpart S.p.a.	086	Italy	Bologna	G	9		100.00%	UGF Assicurazioni S.p.a.	100.00%		100.00%	32,000,000
Grecale Abs S.r.l. (*)	086	Italy	Bologna	G	11		10.00%	Smallpart Spa UGF Banca S.p.a.	10.00%		100.00%	20,000
Nettuno Fiduciaria S.r.l.	086	Italy	Bologna	G	11		100.00%	UGF Banca S.p.a.	100.00%		100.00%	250,000
Navale Vita S.p.a.	086	Italy	Rome	G	1		100.00%	Navale Assicurazioni S.p.a.	99.83%		100.00%	5,180,108
Srs S.p.a.	086	Italy	Bologna	G	9		100.00%	UGF Assicurazioni S.p.a.	100.00%		100.00%	13,898,582
UGF Assicurazioni S.p.a.	086	Italy	Bologna	G	1	100.00%			100.00%		100.00%	150,300,000
Castoro Rmbs S.r.l. (*)	086	Italy	Milan	G	11			UGF Banca S.p.a.			100.00%	10,000
Atlante Finance S.r.l. (*)	086	Italy	Milan	G	11			UGF Banca S.p.a.			100.00%	10,000
UGF Leasing S.p.a.	086	Italy	Bologna	G	11		100.00%	UGF Banca S.p.a.	100.00%		100.00%	6,000,000
Unipol Private Equity SGR S.p.a.	086	Italy	Bologna	G	8		100.00%	UGF Banca S.p.a.	100.00%		100.00%	2,000,000
Ambra Property S.r.l.	086	Italy	Bologna	G	11	100.00%			100.00%		100.00%	100,000

(1) Consolidation method: G=on a line-by-line basis, P=proportional, U=on a line-by-line basis as per coordinated management
(2) 1=Italian insurers; 2=EU insurers; 3=non-EU insurers; 4=insurance holdings; 5=EU reinsurers; 6=non-EU reinsurers; 7=banks; 8=asset management companies; 9=sundry holdings; 10=property companies; 11=other
(3) is the product of the percentage holdings relating to all the companies that may come somewhere along the chain between the company that draws up the consolidated accounts and the company in question. If the latter is a direct participating interest of several subsidiaries the individual products must be added up.
(4) Total percentage of votes available at Ordinary General Meetings if different from the direct or indirect holding.

(*) Special purpose vehicles (SPVs) used for securitisation schemes. Although they are not subsidiaries, SPVs are consolidated as basically all their risks and benefits are retained.

Details of unconsolidated shareholdings

Name	State		Reg. office	Activity (1)	Type of business (2)	% direct holding	% indirect holding		% total participating interest (3)	% votes available at Ordinary General Meetings (4)	Book value (€m)	Share capital (€)
Hotel Villaggio Città del Mare S.p.a.	086	Italy	Terrasini (Pa)	11	b		49.00%	UGF Assicurazioni S.p.a.	49.00%		1.9	4,130,000
Euresa Holding SA	092	Luxembourg		4	b		25.00%	UGF Assicurazioni S.p.a.	25.00%		3.4	9,620,200
A.P.A. S.p.a.	086	Italy	Parma	11	b		46.50%	Smallpart S.p.a.	46.50%		0.7	1,000,000
Assicoop Ferrara S.p.a.	086	Italy	Ferrara	11	b		47.40%	Smallpart S.p.a.	47.40%		0.6	376,635
Assicoop Modena S.p.a.	086	Italy	Modena	11	b		43.32%	Smallpart S.p.a.	43.32%		3.4	2,256,800
Assicoop Ravenna S.p.a.	086	Italy	Ravenna	11	b		49.00%	Smallpart S.p.a.	49.00%		2.2	3,640,000
Assicoop Sicura S.p.a.	086	Italy	Bologna	11	b		40.21%	Smallpart S.p.a.	40.21%		3.1	202,800
Assicoop Siena S.p.a.	086	Italy	Siena	11	b		49.00%	Smallpart S.p.a.	49.00%		0.6	510,000
Assicura S.p.a.	086	Italy	Reggio Emilia	11	b		35.00%	Smallpart S.p.a.	35.00%		0.9	1,040,000
Fondazione Unipolis	086	Italy	Bologna	11	a		100.00%	UGF Assicurazioni S.p.a.	100.00%		0.3	258,230
ZIS Fiera 2 - Consorzio	086	Italy	Bologna	11	b		31.72%	Midi S.r.l.	31.72%		0.3	789,185
Assicoop Imola S.p.a.	086	Italy	Imola (Bo)	11	b		47.33%	Smallpart S.p.a.	47.33%		1.5	1,000,000
UGF Assistance S.r.l.	086	Italy	Bologna	11	a		100.00%	Unisalute S.p.a.	98.48%		0.2	52,000
Bnl Servizi Assicurativi S.r.l.	086	Italy	Milan	11	a		100.00%	Bnl Vita S.p.a.	51.00%		0.2	10,400
Assicoop Romagna S.p.a.	086	Italy	Forlì	11	b		49.00%	Smallpart S.p.a.	49.00%		0.9	774,700
Assicoop Firenze S.p.a.	086	Italy	Florence	11	b		44.00%	Smallpart S.p.a.	44.00%		0.7	1,000,000
Pegaso Finanziaria S.p.a.	086	Italy	Bologna	9	b		45.00%	Smallpart S.p.a.	45.00%		2.6	5,700,000
SCS Azioninnova Spa	086	Italy	Bologna	11	b		40.00%	UGF Merchant S.p.a.	34.47%		1.0	2,501,250
Promorest S.r.l.	086	Italy	Castenaso (Bo)	11	b		47.96%	UGF Merchant S.p.a.	41.33%		4.9	10,209,085
EuroMilano S.p.a.	086	Italy	Milan	10	b		20.00%	UGF Assicurazioni S.p.a.	20.00%		14.9	6,500,000

(1) 1=Italian insurers; 2=EU insurers; 3=non-EU insurers; 4=insurance holdings; 5=EU reinsurers; 6=non-EU reinsurers; 7=banks; 8=asset management companies; 9=sundry holdings; 10=property companies; 11=other
(2) a=subsidiaries (IAS27); b=associates (IAS28); c=*joint ventures* (IAS31); please mark with (*) the companies available for sale in accordance with IFRS 5 and write the legend at the foot of the statement.
(3) is the product of the percentage holdings relating to all the companies that may lie somewhere along the chain between the company that draws up the consolidated accounts and the company in question. If the latter is a direct participating interest of several subsidiaries the individual products must be added up.
(4) Total percentage of votes available at Ordinary General Meetings if different from the direct or indirect holding.

Details of tangible and intangible assets

Amounts in €m

	At cost	At reassessed value or at fair value	Total book value
Investments in property	198.7		198.7
Other property	529.7		529.7
Other tangible assets	50.1		50.1
Other intangible assets	56.3		56.3

Details of financial assets

Amounts in €m

	Investments held to maturity		Loans and receivables		Financial assets available for sale		Financial assets recorded at fair value through profit or loss				Total book value	
							Financial assets held for trading		Financial assets recorded at fair value through profit or loss			
	30/6/2009	31/12/2008	30/6/2009	31/12/2008	30/6/2009	31/12/2008	30/6/2009	31/12/2008	30/6/2009	31/12/2008	30/6/2009	31/12/2008
Equity securities and derivatives valued at cost					45.8	220.4					45.8	220.4
Equity securities at fair value					1,269.0	1,365.7	0.2	0.0	19.8	15.4	1,289.0	1,381.2
listed securities					*1,268.2*	*1,340.7*	*0.2*	*0.0*	*19.8*	*15.4*	*1,288.1*	*1,356.2*
Debt securities	1,825.0	1,813.4	4,281.4	4,151.3	12,142.0	9,869.5	194.5	711.6	5,777.7	5,514.8	24,220.6	22,060.6
listed securities	*1,082.4*	*1,216.8*	*0.0*	*0.0*	*11,075.7*	*9,282.9*	*116.1*	*386.7*	*1,546.0*	*1,682.1*	*13,820.3*	*12,568.5*
Units in UCITS					159.5	132.7	45.8	46.0	1,429.5	1,536.3	1,634.8	1,715.0
Loans and receivables from banking customers			9,233.5	9,009.1							9,233.5	9,009.1
Interbanking loans and receivables			261.4	275.0							261.4	275.0
Deposits with ceding companies			20.9	21.2							20.9	21.2
Financial items receivable on insurance contracts									68.1	30.0	68.1	30.0
Other loans and receivables			162.1	254.3							162.1	254.3
Non-hedge derivatives							8.1	110.8	0.0	0.0	8.1	110.8
Hedge derivatives							3.5	0.3	58.6	80.5	62.1	80.8
Other financial investments			21.7	0.5					0.0	0.0	21.7	0.5
Total	1,825.0	1,813.4	13,981.1	13,711.6	13,616.4	11,588.3	252.1	868.7	7,353.6	7,177.0	37,028.2	35,159.0

Details of assets and liabilities relating to contracts issued by insurance companies where the investment risk is borne by customers and arising out of pension fund management

Amounts in €m	Benefits linked to investment funds and market indices		Benefits linked to pension fund management		Total	
	30/6/2009	31/12/2008	30/6/2009	31/12/2008	30/6/2009	31/12/2008
Assets on the balance sheet	6,254.9	6,307.2	1,085.2	869.0	7,340.1	7,176.1
Intragroup assets *	0.0	0.0	0.0	0.0	0.0	0.0
Total assets	6,254.9	6,307.2	1,085.2	869.0	7,340.1	7,176.1
Financial liabilities on the balance sheet	2,008.6	2,052.2	63.0	56.9	2,071.6	2,109.2
Technical provisions on the balance sheet	4,246.3	4,254.9	1,022.2	812.0	5,268.5	5,067.0
Intragroup liabilities *	0.0	0.0	0.0	0.0	0.0	0.0
Total liabilities	6,254.9	6,307.2	1,085.2	869.0	7,340.1	7,176.1

* Assets and liabilities eliminated on consolidation

Details of technical provisions - reinsurers' share

Amounts in €m

	Total book value	
	30/6/2009	31/12/2008
Non-Life provisions	366.4	401.0
Life provisions	128.5	132.6
Technical provisions where the investment risk is borne by policyholders and provisions arising out of pension fund management	0.0	0.0
Mathematical provisions and other provisions	128.5	132.6
Total technical provisions - reinsurers' share	494.9	533.6

Details of technical provisions

Amounts in €m

	Total book value	
	30/6/2009	31/12/2008
Non-Life provisions	7,405.4	7,390.6
Provision for unearned premiums	1,567.1	1,568.8
Provision for outstanding claims	5,808.5	5,797.6
Other provisions	29.8	24.2
including provisions allocated as a result of the liability adequacy test	*0.0*	*0.0*
Life provisions	19,434.7	17,907.8
Provision for sums to be paid	109.4	103.1
Mathematical provisions	14,396.8	13,072.1
Technical provisions where the investment risk is borne by policyholders and provisions arising out of pension fund management	5,293.2	5,099.7
Other provisions	-364.6	-367.0
including provisions allocated as a result of the liability adequacy test	*0.0*	*0.0*
including deferred liabilities to policyholders	*-484.3*	*-504.3*
Total technical provisions	26,840.1	25,298.4

Details of financial liabilities

Amounts in €m

	Financial liabilities recorded at fair value through profit or loss				Other financial liabilities		Total book value	
	Financial liabilities held for trading		Financial liabilities recorded at fair value through profit or loss					
	30/6/2009	31/12/2008	30/6/2009	31/12/2008	30/6/2009	31/12/2008	30/6/2009	31/12/2008
Participating financial instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subordinate liabilities	0.0	0.0	0.0	0.0	1,275.2	1,278.0	1,275.2	1,278.0
Liabilities arising out of financial contracts issued by insurance companies			2,107.3	2,154.7	78.3	136.7	2,185.6	2,291.4
arising out of contracts where the investment risk is borne by policyholders			*2,107.3*	*2,097.8*			*2,107.3*	*2,097.8*
arising out of pension fund management			*0.0*	*56.9*			*0.0*	*56.9*
arising out of other contracts			*0.0*	*0.0*	*78.3*	*136.7*	*78.3*	*136.7*
Deposits received from reinsurers					186.7	190.4	186.7	190.4
Financial items payable on insurance contracts					0.0	0.0	0.0	0.0
Debt securities issued	0.0	0.0	0.0	0.0	841.6	652.8	841.6	652.8
Payables to banking customers					6,004.7	5,565.5	6,004.7	5,565.5
Interbanking payables					461.7	694.2	461.7	694.2
Other borrowings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-hedge derivatives	76.5	106.8	0.0	0.0			76.5	106.8
Hedge derivatives	81.4	115.6	0.0	0.0			81.4	115.6
Sundry financial liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	157.9	222.3	2,107.3	2,154.7	8,848.3	8,517.5	11,113.6	10,894.5

Details of technical insurance items

Amounts in €m

		30/6/2009	30/6/2008
Non-Life business			
NET PREMIUM INCOME		2,124.7	2,022.6
a	Premiums written	2,125.2	2,065.1
b	Change in provision for unearned premiums	-0.5	-42.5
NET CHARGES RELATING TO CLAIMS		1,680.1	1,498.5
a	Sums paid	1,673.3	1,529.3
b	Change in provision for outstanding claims	36.6	5.7
c	Change in sums recovered	-35.4	-35.4
d	Change in other technical provisions	5.6	-1.1
Life business			
NET PREMIUM INCOME		2,756.2	1,605.8
NET CHARGES RELATING TO CLAIMS		3,109.6	1,426.7
a	Sums paid	1,571.0	1,980.0
b	Change in provision for sums to be paid	6.6	4.4
c	Change in mathematical provisions	1,246.6	-230.3
d	Change in technical provisions where the investment risk is borne by policyholders and provisions arising out of pension fund management	296.6	-162.6
e	Change in other technical provisions	-11.1	-164.7

Investment income and charges

Amounts in €m

		Interest	Other income	Other charges	Profits realised	Losses realised	Total income and charges realised	Unrealised profits		Unrealised losses		Total unrealised income and charges	Total income and charges 30/6/2009	Total income and charges 30/6/2008
								Unrealised capital gains	Value readjustment	Unrealised capital losses	Write-down			
Balance on investments		599.2	123.3	-36.3	326.1	-315.0	697.2	545.2	0.1	-324.6	-3.3	217.4	914.6	330.4
a	Arising out of investments in property		8.4	-2.0	8.3	0.0	14.7	0.0	0.0	0.0	0.0	0.0	14.7	4.9
b	Arising out of holdings in subsidiaries, associates and joint ventures		1.9	0.0	0.0	0.0	1.9	0.0	0.0		-0.1	-0.1	1.7	27.8
c	Arising out of investments held to maturity	39.0	0.4	0.0	0.0	0.0	39.5	0.0	0.0	0.0	0.0	0.0	39.5	44.1
d	Arising out of loans and receivables	309.6	0.0	0.0	17.2	-12.7	314.1	0.0	0.0	-30.3	0.0	-30.3	283.8	225.4
e	Arising out of financial assets available for sale	183.7	62.6	-3.2	59.9	-24.2	278.9	1.8	0.1	-3.4	-3.2	-4.7	274.2	331.4
f	Arising out of financial assets held for trading	6.9	11.8	-23.3	229.3	-248.4	-23.7	239.5		-222.1		17.4	-6.3	-13.2
g	Arising out of financial assets recorded at fair value through profit or loss	60.0	38.2	-7.8	11.3	-29.8	72.0	303.9		-68.8		235.1	307.0	-289.9
Balance on sundry receivables		1.8	0.0	0.0		0.0	1.8					0.0	1.8	0.4
Balance on cash and cash equivalents		7.5	0.0	0.0			7.5					0.0	7.5	9.8
Balance on financial liabilities		-109.6	0.0	-0.4	60.8	-66.5	-115.7	0.4	0.0	-118.2	0.0	-117.8	-233.5	-37.6
a	Arising out of financial liabilities held for trading	0.0	0.0	0.0	60.8	-66.5	-5.7	0.4		0.0		0.4	-5.3	2.6
b	Arising out of financial liabilities recorded at fair value through profit or loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0		-118.2		-118.2	-118.2	94.4
c	Arising out of other financial liabilities	-109.6		-0.4		0.0	-110.0	0.0	0.0	0.0		0.0	-110.0	-134.5
Balance on payables		-0.3		0.0			-0.3				0.0	0.0	-0.3	-2.4
Total		498.7	123.3	-36.7	386.9	-381.6	590.5	545.6	0.1	-442.8	-3.3	99.6	690.1	300.6

Details of insurance business expenses

Amounts in €m

	Non-Life business		Life business	
	30/6/2009	30/6/2008	30/6/2009	30/6/2008
Gross commissions and other acquisition costs net of commissions and profit-sharing received from reinsurers	399.5	386.4	33.2	36.6
Investment management expenses	15.4	4.4	6.4	5.9
Other administrative expenses	63.8	70.2	17.3	19.2
Total	478.7	461.0	56.9	61.7

Certification of the Condensed Half-Yearly Accounts in accordance with Art. 81-*ter* of CONSOB Regulation 11971/99

CERTIFICATION OF THE CONDENSED HALF-YEARLY ACCOUNTS IN ACCORDANCE WITH ART. 81-TER OF CONSOB REGULATION 11971 OF 14 MAY 1999 AS AMENDED AND SUPPLEMENTED

1. In accordance with the provisions of Article 154-bis, paras 3 and 4, of Legislative Decree 58 of 24 February 1998, the undersigned Carlo Salvatori, in his capacity as Chief Executive Officer, and Maurizio Castellina, in his capacity as Senior Executive Responsible for drawing up Unipol Gruppo Finanziario S.p.A.'s accounts, certify that the administrative and accounting procedures applied in drawing up the condensed half-yearly accounts for 2009:
   - were appropriate for the type of business concerned and
   - were properly applied.
2. Assessment of the suitability of the administrative and accounting procedures for drawing up the condensed half-yearly accounts as at 30 June 2009 was based on a process laid down by Unipol Gruppo Finanziario S.p.A. which was inspired by the COSO Framework (Internal Control – Integrated Framework, issued by the Committee of Sponsoring Organizations of the Tradeway Commission), unanimously recognised as the standard for the implementation and assessment of internal auditing systems.
3. We also attest that:

   3.1. the condensed half-yearly accounts:

   a) are drawn up in accordance with the International Accounting Standards endorsed by the European Community as per the Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002;

   b) correspond to the information recorded in the books and accounting records;

   c) give a true and fair view of the financial position of the issuer and of

the companies included in the basis of consolidation.

3.2. the business interim report includes a reliable analysis of significant events which took place in the first six months of the financial year and of their effect on the condensed half-yearly accounts, together with a description of the main risks and uncertainties for the remaining six months of the financial year. The business interim report also includes a reliable analysis of information on relevant operations with related parties.

Bologna, 6 August 2009

The Chief Executive Officer	The Senior Executive Responsible for drawing up the Company accounts
Carlo Salvatori	*Maurizio Castellina*

External Auditors' Report

KPMG S.p.A.
Revisione e organizzazione contabile
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(Translation from the Italian original which remains the definitive version)

Review report

To the shareholders of
Unipol Gruppo Finanziario S.p.A.

1 We have reviewed the condensed interim consolidated financial statements comprising the statement of financial position, separate income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and notes thereto of the Unipol Gruppo Finanziario Group (the "Group" or "UGF Group") as at and for the six months ended 30 June 2009. The parent's directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with IAS 34, "Interim Financial Reporting", endorsed by the European Union, in addition to ISVAP (the Italian supervisory body for insurance companies) Regulation no. 7 of 13 July 2007. Our responsibility is to prepare this report based on our review.

2 We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. The review consisted primarily of the collection of information relating to the captions of the condensed interim consolidated financial statements and the consistency of application of the accounting policies through discussions with company directors and analytical procedures applied to the financial data presented in such condensed interim consolidated financial statements. The review excluded such audit procedures as tests of controls and verification or validation of assets and liabilities and is significantly less than an audit performed in accordance with generally accepted auditing standards. As a consequence, contrary to our report on the annual consolidated financial statements, we do not express an audit opinion on the condensed interim consolidated financial statements.

With regard to the corresponding figures included in the condensed interim consolidated financial statements, reference should be made to our reports on the annual consolidated and interim consolidated financial statements of the previous year dated 6 April 2009 and 25 August 2008, respectively. The corresponding figures have been reclassified in order to reflect the changes to the financial statements schedules introduced by IAS 1 (revised 2007).

3 In the preparation of the condensed interim consolidated financial statements, the directors have applied the same accounting and impairment policies as those adopted at year end to equity instruments classified as "Financial assets available for sale". These policies are described in the notes to the consolidated financial statements as at and for the year ended 31 December 2008, specifically note 2.4 "Financial assets. IAS 32 and IAS 39 - IFRS 7", in the sections "Financial assets available for sale" and "Impairment policy for financial assets adopted by the UGF Group".

At the interim reporting date, a fair value loss of €1,106 million (31 December 2008: €1,026 million) on the equity instruments resulting from the application of such accounting policies has been recognised in the fair value reserve under equity (named "Profits or losses on financial assets available for sale"), net of fair value losses of €2 million recognised in the income statement during the first half of 2009 (2008: €96 million) and gross of the effect of shadow accounting and the portion attributable to minority interests.

Our report on the consolidated financial statements of the UGF Group as at and for the year ended 31 December 2008 dated 6 April 2009 was qualified due to the impairment policy adopted by the Group, the effect of which we were unable to determine. We stated that the impairment policy adopted by the Group did not comply with the provisions of IAS 39.61 and 67. Therefore, since the Group has continued to apply such policy, we confirm our qualification also in our report on the condensed interim consolidated financial statements at 30 June 2009, the effect of which on the profit for the period and other captions of the condensed interim consolidated financial statements we are unable to determine. However, any overstatement of the profit for the period would have no impact on equity at 30 June 2009, since, as mentioned above, the caption "Profits or losses on financial assets available for sale" already includes the fair value losses on listed equity instruments classified as available for sale.

Moreover, as described by the directors in the section "Significant events after 30 June 2009 and business outlook" of their management report, to which the notes to the condensed interim financial statements make reference (specifically, note 1 "General drafting criteria"), the International Accounting Standards Board published Exposure Draft ED/2009/7 "Financial Instruments: Classification and Measurement" in July 2009, the consultation process of which is slated for completion by the end of September 2009, in order for the new standard to be applicable in the preparation of financial statements as at and for the year ending 31 December 2009. This Exposure Draft requires that financial instruments be classified in only two categories, eliminating, inter alia, the "available-for-sale financial assets" category currently required by IAS 39. The directors stated that, should the new standard be approved as currently proposed, the paragraphs of IAS 39 on the recognition and measurement of impairment losses on equity instruments currently in force will no longer be applicable. Lastly, the directors mentioned that they are currently assessing the related effects on the Group's consolidated financial statements and a possible early adoption of the new standard in the preparation of the consolidated financial statements as at and for the year ending 31 December 2009.

4 Based on our review, except for the effects, if any, of the matter described in paragraph 3, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Unipol Gruppo Finanziario Group as at and for the six months ended 30 June 2009 have not been prepared, in all material respects, in conformity with IAS 34, "Interim Financial Reporting", endorsed by the European Union.

Bologna, 27 August 2009

KPMG S.p.A.

(Signed on the original)

Luca Ferranti
Director of Audit